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The Brezhnev Gambit Sincere Offer or Just a Tactical Ploy? Analysts Differ

Washington
By Hedrick Smith
New York Times Service
WASHINGTON — Although the Reagan administration has responded positively to Soviet President Leonid Brezhnev's suggestion of a summit meeting, the move has raised complications for the administration's initial strategy of trying to rally support for a harder line toward Moscow.

NEWS ANALYSIS
The West and because of his personal commitment to the strategy of détente with the West. Soviet specialists here also credit the aging Soviet leader with a clever gambit aimed at playing off divisions between Washington and the West, especially West Germany's Chancellor Helmut Schmidt for whom Ostpolitik, or cordial relations with Moscow, remains an article of faith. A experienced officials also suspect that the summit suggestions, coupled with proposals for a control, may also play upon the fears of U.S. that the initial flurry of anti-Soviet charges by President Reagan and Secretary of State Alexander Haig Jr. was ill-considered and may jeopardize prospects for arms control.

Brezhnev 'Line'
A very useful line for Brezhnev to play," one administration official commented. "It fits in a constant desire the Soviets have to split us up from the Europeans. It would have been much for us if he had taken the same hard line as day before Mr. Brezhnev spoke to the Soviet congress. Soviet Defense Minister Dmitri Ustinov the Reagan administration of trying to the cold war with its tough rhetoric and plans to military spending.

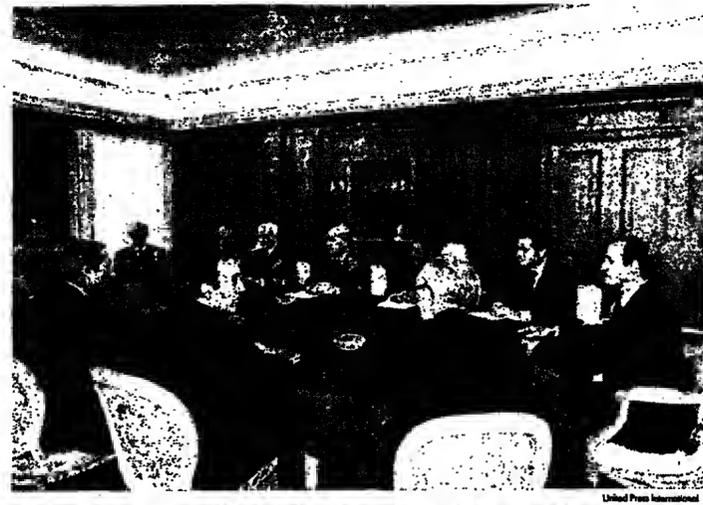
Double Approach
Two-track approach from Moscow has pushed Reagan administration into a two-track approach — pursuing the hard line on El Salvador and friendly comments about the summit.

Moscow
By R.W. Apple Jr.
New York Times Service
MOSCOW — One of the Soviet leadership's biggest complaints about former President Jimmy Carter was that he did not understand the uses of secrecy. Diplomatic initiatives, the men in the Kremlin used to say, cannot begin in public; they must be carefully explored in private.

NEWS ANALYSIS
The most important of these, couched in murky terms but apparently intended as a distinct concession, is renegotiation of the second treaty on limitation of strategic nuclear arms.

Seasoned Politicians
Instead, he seemed to be trying to picture himself and his colleagues in the ruling Politburo as seasoned politicians — which they do not do, with an average age of 68 — who understand the need for patience, restraint and, ultimately, communication rather than confrontation with the other superpower.

Doubts Expressed
Even Western Europeans, who cling to détente long after it fell from favor in the United States, have been expressing doubts. One more misstep, West German Chancellor Helmut Schmidt is said to have told Mr. Brezhnev, and that would be it for détente.



King Juan Carlos I (right) presided at a National Security Council meeting after the coup failed.

In Madrid's Young Democracy, King Seems Strongest Institution

By Jonathan Kandell
International Herald Tribune
MADRID — The democratic regime that has emerged in Spain in the five years since Franco's death received its most severe test during the failed coup by rebel Civil Guards and military elements this week.

NEWS ANALYSIS
The crisis pointed out again that the strongest and most prestigious political institution in the youthful democracy is, ironically, the monarch, King Juan Carlos I.

our monarch," asserted an editorial in the Madrid daily newspaper *Diario 16*.
Yet the incoming government of Premier Leopoldo Calvo Sotelo will almost certainly have to lean heavily on the king's authority and prestige to grapple with the numerous problems that set the background for the failed uprising.

French Envoy Warns U.S. On New Missile Systems
By Don Oberdorfer
Washington Post Service
WASHINGTON — French Foreign Minister Jean Francois-Poncet cautioned the Reagan administration against building large-scale anti-ballistic missile systems, despite the 1972 U.S.-Soviet treaty against such action, on grounds that this would create new instability in Europe, diplomatic sources report.

Calvo Sotelo Wins Approval In Cortes Vote

By James M. Markham
New York Times Service
MADRID — A day after the failure of a major military rebellion against the nation's young democracy, the Cortes, in an emotional session, Wednesday firmly endorsed a new government to be led by Premier Leopoldo Calvo Sotelo. Weary deputies gave a long standing ovation for King Juan Carlos I, credited with halting the coup and freeing them from captivity in the parliament.

Powerful Oration
At the end of this afternoon of Lt. Gen. Manuel Gutierrez Mellado, a deputy premier who was physically struck by one of the assailants, the chamber erupted in sustained applause. Adolfo Suarez, the outgoing premier, who also displayed coolness and courage during the siege, moments later touched off a powerful oration.

Socialist Statement
Felipe Gonzalez, the Socialist leader who was held incommunicado by the rebels facing a wall in a small room of the parliament, urged the new premier to form a coalition government with his party to meet the crisis. "Democracy from now on has a date and a meaning," he added. "The date is Feb. 23 and the meaning is the attempt to destroy democracy ..."



Gen. Alfonso Armada

Kremlin Denies Sending Arms To Support El Salvador Rebels

By Kevin Klose
Washington Post Service
MOSCOW — The Soviet Union is applying weapons to Marxist guerrillas in El Salvador and has, a senior Kremlin aide said Wednesday, the same said that there is no U.S.-Soviet summit if at Reagan insists on preconditions.

Officer Held Complicity J.S. Mission
The former chief of Iranian air force, Gen. Amir Bagheri, has been arrested on suspicion of complicity in the U.S. State Department report blaming Moed Cuba for supporting the

resistance to the Moslem population to the Marxist regime in Kabul.
Mr. Zamyatin said Moscow viewed European reaction as generally positive to the Brezhnev address, especially his proposal for talks to enlarge the zone in which countries voluntarily notify others of troop movements and invite foreign military observers.

Bonn Offers to Mediate El Salvador Conflict
The West German government offered Wednesday to mediate the conflict in El Salvador, pledging to seek contacts with representatives of democratic forces among the U.S.-backed junta and the rebels.

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Pope John Paul II waves to Japanese crowds Wednesday as he leaves Peace Park in Hiroshima.

In Hiroshima and Nagasaki, Pope Calls For Peace: 'Let Us Not Repeat the Past'

By Jack R. Payton
United Press International

HIROSHIMA, Japan — Pope John Paul II, his voice trembling, prayed Wednesday at the site of the first atomic bomb attack and warned that man must make "a moral about-face" or suffer nuclear annihilation.

The pope said that nations must stop developing weapons to destroy thousands of lives in "a terrible, fiery moment," and use their resources to improve the world.

"Can we remain passive when we are told that humanity spends immensely more money on arms than on development, and we learn that one soldier's equipment costs many times more than a child's education?" he asked.

Standing in tranquil Peace Park that commemorates those killed by the atomic blast, the pope said "to remember Hiroshima is to abhor nuclear war. To remember Hiroshima is to commit oneself to peace."

"Let us not repeat the past," he said, appealing to the crowd of 12,000. To emphasize that his appeal was an international one, the pope spoke in nine languages, starting his speech in Japanese and then switching to English, Chinese, French, Spanish, Portuguese, German, Russian and his native Polish.

Last Stops

Later in the day, the pope traveled to Nagasaki, the only other city to suffer a nuclear attack. After being welcomed with flowers by an enthusiastic crowd, the pontiff celebrated Mass at the Urakami Cathedral and delivered a pastoral message to Roman Catholic nuns in Japan.

The visits to Hiroshima and Nagasaki were the final stops on a 12-day journey through the Far East; the pontiff leaves for the Vatican on Thursday, with a stop in Anchorage en route.

In Hiroshima, the pope told survivors of the 1945 bombing that man must end war, that "war is the work of man, war is destruction of human life, war is death."

Later he spoke to Hiroshima scholars, declaring that modern science must ensure that human energy is directed toward helping rather than destroying mankind. "Our future on this planet, ex-

U.S. Seeks to Calm Israeli Fear on Aims Of Policy in Mideast

By John M. Goshko and Lou Cannon
Washington Post Service

WASHINGTON — The Reagan administration has sought to reassure Israel that Secretary of State Alexander M. Haig Jr.'s move to reshuffle U.S. priorities in the Mideast by viewing policy aims against the "backdrop of increasing Soviet intervention" does not mean a lessening of concern for Israel's security.

The occasion was a call on President Reagan Tuesday by Israeli Foreign Minister Yitzhak Shamir. Afterward, Mr. Haig appeared before reporters, with Mr. Shamir at his side, to emphasize strongly the administration's intention to weigh carefully Israeli anxiety about the Middle East arms balance and to seek further progress in the stalled Arab-Israeli peace talks.

However, for all their warmth, Mr. Haig's remarks did not change the fact that Mr. Shamir is returning home without having achieved the two main goals sought by his government — a new American initiative to revive the Mideast peace process and reversal by the administration of its all-but-final decision to sell Saudi Arabia sophisticated additional equipment for the F-15 jet fighters it has ordered from the United States.

In fact, the State Department almost seemed to be underscoring his lack of success when it announced Monday that top priority in the Middle East will be given to halting the "deteriorating position of the West vis-a-vis the Soviet Union" rather than pressing ahead immediately with efforts to resume the Egyptian-Israeli negotiations on Palestinian self-rule.

U.S. Warned On Missiles

(Continued from Page 1)

concession on the part of Soviet President Leonid I. Brezhnev regarding the French-sponsored European Disarmament Conference.

Mr. Brezhnev, in his speech to the 26th Soviet Communist Party Congress in Moscow Monday, announced that he would extend to the U.S. "confidence-building measures" such as the advance notification and on-the-spot observation of military maneuvers provided that the Western side took a similar action. Previously, the Russians had flatly rejected such an extension in diplomatic talks with the French, according to the observers.

Minister Cautious

Mr. Francois-Poncet has made it clear in Washington that he regards the Brezhnev statement as a potentially significant shift in the Soviet position, and one that may help to facilitate the disarmament conference, which France has sponsored and which was recently endorsed by the United States. At the same time, the French minister has cautioned that the Brezhnev statement might turn out to be more of a verbal maneuver than a real shift, noting its ambiguity and the fact that reciprocal measures of an uncertain nature would be required from the West.

Even if the shift is a real signal of Soviet willingness to talk, it may take a year or even longer to bring the movement toward a conference to fruition, according to the initial French assessment.

Although East-West and European issues were mostly on the mind of the French visitor, U.S. officials spent considerable time in the last several days acquainting Mr. Francois-Poncet with their position on the insurgency in El Salvador, and especially the Cuban role in it.

The French minister said publicly late Monday that the arms shipments from outside to Salvadoran guerrillas were equivalent to external interference in that country.

Uphill Battle

Prime Minister Menachem Begin's government badly wants to get the autonomy talks going again as an aid in its uphill battle for reelection later this year. As a result, Mr. Begin's lukewarm attitude toward giving a U.S. push to the effort is certain to be a matter of keen disappointment to Mr. Begin.

For that reason, senior White House officials reportedly felt that the timing and wording of Monday's State Department pronouncement had the effect of creating what one source called "needless fears" by Israel about U.S. intentions. In order to assuage the Israelis, the source added, the U.S. decided to have Mr. Haig appear with Mr. Shamir before reporters at the White House to clarify the intent of administration policy.

The secretary dutifully did his part by pledging allegiance to continuing the Camp David peace process and said that it "will be dealt with promptly and early on." He added: "I would anticipate that the process itself would not be too long in the resumption."

On the Saudi jet question, the Israelis are understood to expect that, despite their objections, the administration will announce its decision to go ahead with the sale within the next few days. However, the administration also reportedly went to great lengths privately to assure Mr. Shamir that it will take steps, probably through arranging additional armaments for Israel, that Israeli security will not be harmed by any increases in the range and firepower of the Saudi jets.

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Summit Proposal Complicates Early Reagan Strategy

(Continued from Page 1)

The diplomatic shorthand is that a summit meeting must be "well prepared" and that means, as both officials and European diplomats comment, stalling long enough to consult top-ranking French, German and British leaders who are now beginning a string of visits, and then to attempt lower-level contacts with Moscow.

In the meantime, the administration has made clear that it intends to carry forward its public effort to persuade the American public and allies in Europe that El Salvador is what the State Department white paper called a case study in "indirect armed aggression by Communist powers acting through Cuba."

Privately, however, some Europeans are saying that while they may sympathize with the Reagan administration's viewpoint on El Salvador, they are astonished to see that country's problems elevated to such prominence and they are more intrigued at the moment by Mr. Brezhnev's remarks.

The French are pleased that the Soviet leader has picked up President Valery Giscard d'Estaing's earlier call for more confidence-building military measures in Western Europe and Russia all the way to the Ural Mountains as an effort to ease the risk of actual conflict.

The Germans, some American officials believe, are almost certain to be lured by Mr. Brezhnev's talk of freezing tactical nuclear forces in Europe into reviving pressures on Washington to get moving with talks with Moscow on this topic.

New Paris Tax Deadline

International Herald Tribune

PARIS — The deadline for U.S. citizens living in France to file French tax returns has been pushed back one month to April 1. A Budget Ministry spokesman said on Wednesday. He described the move as similar to the extension last year, which stemmed from changes in U.S.-French tax regulations.

Brezhnev Speech Startles Observers

(Continued from Page 1)

the year, in the prediction of Khrushchev, when the standard of living in the Soviet Union would surpass that in the West. Nothing of the sort has happened; food supplies are worse than they were three years ago, and the range and quality of consumer goods have improved little. Public grumbling is discreet but audible.

Rigid Bureaucracy

Rectifying the situation will be difficult at best, given the rigidity of the bureaucracy. But it would seem impossible if the Kremlin felt compelled to undertake yet another armaments program.

It is in this context that the bellicosity of some statements in Washington has caused distress here and has made the achievement of a new nuclear arms limitation treaty seem even more important.

"They won't go broke without a new SALT treaty," a Communist from the Third World said, "but they won't be able to deliver what they feel they must deliver to the average Soviet citizen."

Mr. Brezhnev himself, in commenting on the economic problems of the Soviet Union and its allies, said:

"Complicated Conditions"

"Our countries are having to deal with their constructive tasks in more complicated conditions. The deterioration of the world

Galileo Called Copier of Ideas

Scholar Says Notes Based on Roman Professor

By Philip J. Hills
Washington Post Service

WASHINGTON — Galileo Galilei, the 16th-century scientist whose work has been called the foundation of modern science, apparently copied many of his ideas almost verbatim from another scholar, according to a researcher at the Catholic University.

The Rev. William Wallace, a Dominican priest who has studied Galileo's manuscripts for the past 15 years, writes that he has found that all three of Galileo's most important notebooks show "considerable evidence of copying, or at least of being based on other sources.... Practically all of this material... derives from textbooks and lecture notes that were being used at the Collegio Romano," a Roman university Galileo visited.

"Today, people would call it plagiarism," Father Wallace said. "But at the time, everybody did it — people then felt that ideas, when they were shown to be right, were automatically the property of everyone...."

"People were flattered to have their class notes used by another instructor. I'm not saying Galileo was not the 'father' of modern science, just that there was a granddaddy, too. What I'm holding is that the Scientific Revolution emerged gradually from the Middle Ages."

Galileo's University of Padua was far too conservative for such progressive ideas as experimental science and a physics based on mathematics but the famous Jesuit Collegio Romano was more progressive.

Only four sets of lecture notes remain from the Collegio Romano of the late 16th century, but they are very similar to Galileo's notebooks.

Father Wallace has compared the Latin text of those notes to Galileo's notes and later books and found strong similarities of the ideas; in some cases sentences copied verbatim and in other cases passages with the same idea were italicized in each manuscript.

He said he believes that Galileo and the four students copied the lecture notes of a professor at the Collegio Romano, possibly the Jesuit Pava Valla. Galileo then wrote them into his own lecture notes when he began teaching at the University of Padua.

The work at the Collegio Romano, according to Father Wallace, established the foundation of mathematical physics and foresaw the possibility of doing experiments to test it, as well as what obstacles were. Galileo (1564-1642) is famous in large part because he gave physics a base in math concepts and carried out experiments in such areas as the trajectories of moving objects and why they implied about physical law.

Father Wallace is to publish his ideas in a book of essays due out later this year.

Cortes Approves Calvo Sotelo as Premier

(Continued from Page 1)

Antonio Tejero Molina, an ultra-right Civil Guard officer, led the rebels into the parliament, he insisted that he would only negotiate with Gen. Armada.

According to some accounts, the general, feeling that the coup might succeed, saw himself as the possible leader of a military government and attempted to persuade the king to throw his lot in with the soldiers. The king is said to have resolutely refused, while concentrating his efforts on rallying other commanders and ensuring that an armored division headquartered outside Madrid did not move on the capital.

A number of conservative officers in the division, located at Brunete, are known to be loyal to the king.

Gen. Milans del Bosch, who commanded it before being shifted to Valencia. Another general, who had served with Gen. Milans del Bosch, suddenly arrived from his post in Galicia in an attempt to get the division to march on Madrid, according to generally reliable Spanish informants. But other junior officers at Brunete hesitated to follow the king's orders and refused to move.

But, before dawn on Tuesday, Maj. Ricardo Pardo Zancada, an officer attached to the army's general staff, led 13 vehicles and about 100 men from Brunete to the parliament, where they joined the rebel Civil Guardsmen inside.

The major was arrested after the plot collapsed, as were a number of other officers from the division, along with about 15 Civil Guard officers.

Gen. Milans del Bosch, who gaily clamped a state of emergency on the Valencia region, was arrested after he flew to Madrid 1 day for "repeated disobedience according to a government's demand. There were no confessions. Reports that some officers in Zaragoza, Valladolid and Seville had been initially sympathized with rebels. Officers arrested after failed coup face possible prison terms of as long as 30 years.

King Is Key Institution In Spain's Young Regime

(Continued from Page 1)

er than the military in other West European countries.

A majority of the officer class has a strong distaste for the government's efforts to grant a measure of autonomy to Spanish provinces like Catalonia and the Basque country. The most rightist officers have argued that such separatism constitutes enough of a threat to the nation's sovereignty to require military intervention. The government's failure to stamp out Basque terrorism, often directed against the armed forces and Civil Guard, has also encouraged officers to argue that a hard-line military government is necessary.

King's Authority

Throughout the autonomy process, King Juan Carlos has been forced to come to the government's aid and calm sentiments in the military. The king's authority over even the most rightist officers is based partly on the fact that Franco picked him as his successor and partly on the friendships that the monarch made with officers during his years of military service.

The government under Mr. Calvo Sotelo could conceivably gather enough prestige in its own right and eventually lean less heavily on the king in times of crisis.

But the bleak economic situation of the country will make it difficult for any government to enjoy the kind of widespread popular support that would discourage coup sentiments among extreme military officers.

Felipe Gonzalez, leader of Socialists, has called on Mr. Calvo Sotelo to form a grand coalition with the left to assure the government of enough political strength to dissolve any military plotters. It is difficult to envision left and conservatives agreeing on an economic program. Mr. Calvo Sotelo has already announced he intends to combat the 13-percent annual inflation rate and 1 percent unemployment rate by cutting public spending and stimulating private investment. As predicted, his program is drawn fire from the Socialists and Communists who maintain the favors business over labor.

Russians Said to Aid Libyan Force in Chad

PARIS — Military technicians from the Soviet Union have joined East German experts in Chad and are working mainly on Soviet-made aircraft used by the Libyan force there, informed sources in Paris said Wednesday.

The sources added that the Libyan force had grown to between 7,000 and 10,000 troops since the rebel forces last December by Sudan support.

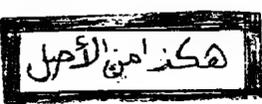
WORLD NEWS BRIEFS

- Creditors Seek Short-Term Aid On Polish Debt**
Reuters
PARIS — Officials from many of Poland's creditor nations in the West recommended Wednesday that their governments provide urgent short-term aid to help Warsaw deal with its huge external debts, a communiqué said.
- Stolen Machine Gun Seized in Belfast Raid**
The Associated Press
BELFAST — British troops raided the predominantly Catholic Springfield quarter of Belfast early Wednesday, capturing an M-60 machine gun — stolen from a U.S. arms depot near Boston in 1976 — and an undisclosed quantity of ammunition, police reported. One man was held for questioning.
- 40% Increase Is Sought For West Bank Jews**
Reuters
TEL AVIV — The Jewish settlement of the occupied West will be expanded by over 40 percent this year in an intensive election settlement drive by Minister Menachem Begin's government, a top official Wednesday.
- Sale of Subs to Draw Chinese 'Reactions'**
United Press International
PEKING — China said Wednesday that it "will have to make further reactions" against the Netherlands within days for its "extraordinary and most rude" decision to proceed with the sale of two submarines to Taiwan.
- Chun Wins Vote To 7-Year Term**
United Press International
SEOUL — President Chun Doo Hwan was elected to a full seven-year term in office Wednesday, receiving over 90 percent of the votes cast in indirect elections. He will be formally inaugurated March 3.
- Irish Aide Visits Bonn**
Reuters
BONN — Irish Foreign Minister Brian Lemahan arrived Wednesday for talks with West German counterpart, Hans-Dietrich Genscher.

Meurice Hotel in Paris:
everything is new...
...except the charm.

Phase 3 of the renovation program has been completed.

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75001 Paris
Tél. 260.38.60 - Télex 230 673 F



Sun Belt to Get Increased Aid at Expense of Older U.S. Cities

By Dan Balz
Washington Post Service
DALLAS, Texas — The Reagan administration is moving swiftly to set out the philosophy of a controversial presidential commission on regional development that said last month that the national policy should not be designed to protect the declining economies of the Northeast and West.

At report, by the urban panel of the President's Commission for National Agenda for the Sun Belt, was disavowed by former President Jimmy Carter and is criticized by politicians throughout the country for its suggestion that the nation accept the decline of older cities in the Northeast and Midwest and concentrate its policies on helping find work where the jobs

are in its first month, the administration has implicitly adopted that philosophy in its budget, tax and regulatory proposals. By shrinking the role of the U.S. government and putting more reliance on the market, the program is providing additional stimulation to the already booming Sun Belt while reducing aid to programs that have

cushioned the economic decline in the industrial heartland. There is no suggestion that the Reagan administration consciously set out to adopt policies that would favor one region over another, but the strong free market bias of Mr. Reagan, his budget director David A. Stockman and the Western consciousness of other administration officials, is likely to do just that.

Mr. Reagan's proposed budget cuts — from the elimination of public service jobs to the cap on Medicaid — will fall most heavily on Northern states and cities, which have become increasingly dependent on U.S. grants.

The administration's proposed increases in defense spending will be distributed more to the South and West, where there is a greater concentration of military bases and aerospace and electronics firms, than in the North and Midwest.

The action to decontrol oil prices and the planned deregulation of natural gas will further stimulate the economies of the energy producing regions and drain more money away from energy consuming states.

A commitment by Interior Secretary James G. Watt to develop additional water projects in the

West in support of the growing population will provide U.S. subsidies for one of the Sun Belt's most critical long-range problems, even during a time of budget austerity nationally.

The administration's proposed changes in unemployment insurance and trade adjustment assistance programs that now are greatly beneficial in Northern states whose economies were built on basic industries like autos and steel, will force workers to accept new jobs more rapidly and might encourage migration to economically healthy regions of the country.

In political terms, Mr. Reagan's program represents a likely further transfer of wealth to the already prosperous regions that formed his political base in 1980 at the expense of traditionally Democratic turf, and they could reignite regional warfare. The coming debate in Congress over Mr. Reagan's proposed budget cuts will include a struggle over where the smaller U.S. pie should be distributed.

The nation is suffering unequally to begin with," said Rep. Thomas J. Downey, co-chairman of the budget task force of the Northeast-Midwest Congressional Coalition. "Asking for across-the-board budget cuts means those regions are going to suffer more. So I think there will be regional battles. A lot of the [Democratic] leadership seems to have rolled over on these cuts, but the rank and file will put up stiff opposition."

The coalition, an organization of more than 200 members of Congress, analyzed Mr. Reagan's budget cuts and found, not surprisingly, that the industrial heartland will bear the heaviest burden in the Republican's war against government. "We found that the categorical programs that are going to be cut back are going to hurt distressed areas," said press spokesman Andy Lang. He cited the elimination of the Economic Development Administration and the consolidation of the urban development action grant program into a block grant as just two examples.

Bernard Weinstein, a professor at the University of Texas at Dallas, disagrees that there is a regional bias in Mr. Reagan's economic program. "I think it's going to be pretty evenhanded," he said. "Some of the folks up North will argue differently, but that's probably a reflection of the fact that many Northeastern states have been feeding at the federal trough for so long and capitalized on every federal program available."

Over the years, U.S. programs have had dramatic effects on regional growth: the construction of the interstate highway system and the development of big water projects are just two examples of programs that have benefited the Sun Belt. But in the last five years, in part because of the documentation that the Northeast and Midwest have sent Washington far more money than they have gotten back, there has been a concerted effort to correct that imbalance. Many grant programs enacted in recent years have distribution formulas that favor "distressed" areas, meaning older industrial cities.



Jean Harris, escorted by police, arrived at the penitentiary in Valhalla, N.Y., Tuesday night after being convicted of murder.

Jean Harris Is Convicted In Killing of Diet Doctor

By James Feron
New York Times Service
WHITE PLAINS, N.Y. — Jean S. Harris has been convicted of murder in the second degree in the multiple shooting death of her companion and lover for 14 years, Dr. Herman Tarnower, Judge Russell R. Leggett set March 20 for sentencing.

The 57-year-old former school headmistress took Tuesday's verdict calmly. Two lawyers at the defense table burst into tears but she showed no emotion, watching as each juror was polled. "I can't sit in jail," Mrs. Harris said to one of her attorneys.

Free on bail since soon after the March 10 shooting, Mrs. Harris was immediately remanded to custody by Judge Leggett before she was escorted out of the Westchester County Courthouse and taken in the women's unit of the county jail at Valhalla.

Mrs. Harris, saying she will not live "like an animal in a cage," threatened a hunger strike in her jail cell Wednesday in a bid to commit suicide, officials said. County Correction Commissioner Albert Gray said she was refusing to eat and would not accept visits from her family.

The penalties for second-degree murder range from a minimum of 15 years to a maximum of 25 years of life in prison. She was also found guilty of two counts of criminal possession of a weapon.

Noted Cardiologist
She had testified in the 64-day trial that the 69-year-old physician, who was a noted cardiologist and author of "The Complete Scarsdale Medical Diet," died in a struggle over the gun she intended for her suicide, but the jury of eight women and four men decided otherwise after nearly 48 hours of deliberations over an eight-day period.

They found her guilty of the most serious of three possible homicide charges, agreeing finally that she had "intentionally" murdered the doctor. The prosecutor, George Bolen, contended that Mrs. Harris had shot Dr. Tarnower in a jealous rage over her rival for his affections, Lynne Tryforos, 38, his administrative assistant.

Joel Aroun, Mrs. Harris' lawyer, said in a news conference that "I think there were errors at the trial that will merit an appeal."

The verdict brought to an end one of the most sensational murder trials in local history. The most compelling aspect was Mrs. Harris herself, an articulate and fiercely independent woman whose declarations of affection for the doctor she was accused of murdering, and her scorn for Mrs. Tryforos, her rival, added melodrama to the trial.

House Manager's Call
Her life went on the public record on March 10, at 10:56 p.m. with a frenzied telephone call to the White Plains Police Department. The call came from Suzanne van der Vliet, the doctor's house manager for 16 years, who lived on his six-acre estate at Purchase, N.Y., with her husband, Henri, the estate manager.

Dr. Tarnower was seeking assistance because he had just been shot in the hand, attempting to prevent what Mrs. Harris said was her first of several attempts to shoot herself.

According to her account, she was deeply depressed over her role as the top administrator of the Madeira School for Girls in McLean, Va. The school's board of directors was seeking her ouster.

Mrs. Harris had run out of Descoy, an ambulance driver. Dr. Tarnower had been prescribing, and she had called him asking for more. But the prosecution noted that Mrs. Harris was upset about a more personal matter, her fading relationship with the doctor.

A despondent Mrs. Harris had composed a will and written final notes to family members and colleagues. She then drove to the doctor's home for "a few quiet minutes with Hy, for me to feel safe again," before what she said would be her suicide.

Carried Revolver
Mrs. Harris said the doctor knew she was coming, but the house was dark and he was asleep when she arrived at about 10:30 p.m. The front door was locked, so she used the garage entrance, where she was carrying daisies in one hand and her pocketbook, containing a

loaded .32-caliber revolver, in the other. She said Dr. Tarnower woke up and appeared to be annoyed. When she found articles of clothing intended for a vacation the younger woman was about to take with the doctor, Mrs. Harris said she became angry and began to throw things, and Dr. Tarnower struck her. She took out the revolver and pulled the trigger, but she said Dr. Tarnower "pushed my hand down."

"Then the gun exploded," she testified. "Hy jumped back. He held up his hand. It was bleeding. Jesus Christ, look what you did," he said. I wasn't aiming the gun at Hy, and he was the one who was shot."

She said she put the gun to her head again, but the doctor lunged across his bed to grab her wrist. The gun fell. He picked it up, put it in his lap and buzzed for the van der Vliets. Mrs. Harris said she then reached for the gun and he dropped the telephone, which he was now holding, to stop her for a third time.

But the doctor had been hit, possibly in the upper right arm, she said later. He also suffered a wound in the right rear shoulder, with the bullet coursing down to fracture three ribs and cause the fatal internal injuries. Mrs. Harris said she could remember neither that shot nor the one to the chest that the defense insisted was a separate wound.

3 Freed Britons Stopped at Iran Airport
TEHRAN — A last-minute hitch prevented the departure Wednesday of three British Anglican missionaries who were due to fly to freedom after being cleared of suspicion of espionage.

The three Britons, missionary doctors John and Audrey Coleman and secretary Jean Waddell, were taken to Tehran airport from government custody in the morning and smiled and chatted as they entered the terminal building and began to go through exit formalities.

But the Paris-bound airliner that was to take them out of Iran after six months in captivity left without them.

"We are not sure yet what the problem is, but they were prevented from leaving at the last minute," said a spokesman for the Swedish Embassy, which handles British interests in Iran.

The Britons were transferred from prisons to a government hotel a few days ago after being cleared of suspected espionage. They were arrested last August.

"As far as we are concerned, their travel documents were in order," the embassy spokesman said. "We are trying to establish what went wrong."

Sixteen days ago, U.S. freelance journalist Cynthia Dwyer was turned back by airport officials just before she was to leave Iran on a scheduled flight after being released from prison. Mrs. Dwyer, who was convicted of espionage, was later allowed to leave.

Diplomatic sources said that after the three Britons had gone through passport control they were stopped by an Iranian who said he was a member of the premier's office. He had asked the three not to board the waiting airliner, but to wait for a few hours and take the next aircraft out. However, there

Tax Package Is Taken Up By Congress

By Caroline Atkinson
Washington Post Service
WASHINGTON — Congress has officially started work on the Reagan administration tax bill with House Democrats ridiculing as "jelly bean talk" and "hallucinogenic" the economic improvements promised by the administration.

Members of the House Ways and Means Committee also demanded to know how much the administration's projected second tax bill would cost. Treasury Secretary Donald T. Regan testified that he "had no idea."

Committee Chairman Dan Rostenkowski, D-Ill., promised that the final tax bill would be "our product," indicating that there would be amendments in Mr. Regan's proposed cuts in individual and business tax cuts.

The tax bill would not be passed before spending cuts, Rep. Rostenkowski also said. He refused to say how the two should be linked. He opposes tying the tax bill directly to spending through the congressional budget process, but sources said that there were several ways to keep the tax bill off the House floor until spending was cut.

Meanwhile, Republican and Democratic leaders of the Senate Budget Committee introduced the legislative vehicle by which Mr. Regan will try to save \$125.9 billion in federal outlays over the next three years, including \$41.4 billion in fiscal 1982.

But both Committee Chairman Pete V. Domenici, R-N.M., and Sen. Ernest F. Hollings, D-S.C., the committee's ranking minority member, warned that changes will be made in Mr. Regan's budget-cutting program.

"In a few areas, such as child nutrition," Sen. Hollings said, "the president may achieve false economies by taking a short-term budget cut that ends up costing this nation more in both human and monetary terms over the long run."

Sen. Domenici wants the spending cuts enacted by June 30, but the Democratic-controlled House anticipates taking until the August congressional recess.

In an angry exchange in Ways and Means, Mr. Regan was told that the administration's economic assumptions were "hallucinogenic" by Rep. Thomas J. Downey, D-N.Y.

Mr. Regan, clearly shaken, retorted: "I resent that... To call the treasury secretary of America... but was interrupted as Rep. Downey said, "You cannot cite one statistic, one report, one shred of evidence" for the assertion that the economy will take off as people save and invest their tax cuts.

Earlier, Rep. J.J. Pickle, D-Tex., called it "jelly bean talk" to say that people would save and invest much more if the administration's tax proposals were enacted.

Mr. Regan maintained that the rate cuts proposed by the administration could spur \$70 billion of extra savings. He also told the panel that investment, which historically has been around 10 percent of the total economy, should rise to 15 percent or 18 percent of gross national product.

Many economists doubt the administration view that tax cuts will make people work harder. "Isn't it more likely," Rep. Pickle asked Mr. Regan Tuesday, "that the eager beaver will continue to work

hard, and the laid-back folks will continue to lay back?" Budget director David A. Stockman also came in for some fierce questioning Tuesday. Asked about how the poor would be hit by proposed budget cuts, he said all the cuts would "cause some people to believe that they've been adversely impacted."

Rep. Charles B. Rangel, D-N.Y., shot back that it was not just a matter of belief. If a person lost a government-sponsored job, he or she truly would be affected.

Senate Confirms
Clark as Deputy
To Haig, 70-24
WASHINGTON — The Senate has confirmed California Supreme Court Justice William P. Clark as deputy secretary of state by a vote of 70 to 24, the largest number of opposition votes thus far against any of President Reagan's major nominees.

In a related matter, the Senate Foreign Relations Committee overrode Democratic protests and abandoned its effort to subpoena White House tapes made during Richard M. Nixon's presidency involving Mr. Clark's new boss, Secretary of State Alexander M. Haig Jr.

The committee vote was 11-6, with Sen. Alan Cranston, D-Calif., and Sen. Claiborne Pell, D-R.I., joining nine Republicans to drop the subpoena effort. It began last month, seeking a log of the tapes to determine if Mr. Haig, as Mr. Nixon's chief of staff, was involved in any misconduct. Mr. Haig has denied any wrongdoing.

In three hours of desultory debate that preceded the full Senate vote on Mr. Clark, critics charged that his testimony before the Foreign Relations Committee last month showed him to be unqualified.

"He was ill-advised to come up here and do his imitation of a clam," said Sen. John H. Glenn, D-Ohio. And contending that Mr. Clark, 49, got the job only because he was a close friend of Mr. Reagan, Sen. Joseph R. Biden Jr., D-Del., said, "I'm not voting against him because he has the wrong position on the issues, but because he has no position on the issues."

Reagan Praises Vietnam Veterans For Bravery and Humanitarianism

WASHINGTON — President Reagan praised veterans of the Vietnam War for both bravery and humanitarianism, saying "they came home without a victory because they had been denied permission to win."

The president made his remarks Tuesday in presenting the Medal of Honor to Roy Benavidez, a 45-year-old retired Army master sergeant, for heroism in Vietnam. The comment touched off loud applause from hundreds of military personnel and civilian employees of the Department of Defense, who had gathered in the Pentagon courtyard for the presentation ceremony.

"Several years ago," the president said, "we brought home a group of American fighting men who had obeyed their country's call and had fought as bravely and as well as any Americans in history."

After his comments, the president hung the gold Medal of Honor around Mr. Benavidez' neck, then put his arms around the stocky former Green Beret soldier and hugged him. Mr. Benavidez received the medal nearly 14 years after he saved the lives of at least eight comrades, fighting off enemy soldiers even though he was severely wounded several times.

Mr. Benavidez said that during the ceremony his thoughts had been about "my buddies, the ones left behind, I'm no hero. The heroes are the ones that are buried, and the ones lying in the VA hospitals, and the wives — my wife is the greatest hero of all."

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S BRIEFS

Spain Keeps Its Head

No one who knows anything about Spain thought it would be easy to purge the country of Francoism and make democracy work after five years of Republican chaos, three years of civil war and 36 years of dictatorship. The 18-hour coup attempt that failed this week is another example that the cleansing of the Spanish body politic still has a way to go before it is completed. It could not have been otherwise. Generalissimo Francisco Franco imposed his authoritarian will on all of Spain's political and economic institutions. The officer corps, the judiciary, the civil service and the powerful Spanish banking community are still packed deep with men who, if not Franco loyalists, are at least the products of a Francoist system that worked for them.

What is truly remarkable is that Spain has progressed so well for the five years since Franco died in November, 1975. That is a tribute first of all to the Spanish people, who have expressed themselves clearly and overwhelmingly in favor of democracy. But the leadership has also been extraordinary, and that holds true across the political spectrum. Without cooperation between political adversaries like Adolfo Suarez who has just stepped down as premier, the Socialist leader, Felipe Gonzalez, and Communist Party chief Santiago Carrillo, deterioration could have come quickly.

Perhaps the biggest surprise came at the very top. King Juan Carlos, as head of state, has proved an intelligent and resourceful court of last political resort. He commands the respect of the army, the politicians and the people. His courage, displayed recently before a hostile crowd in the Basque country and again this week in standing firmly

against the coup, has won him admiration and confidence.

But Spain's troubles aren't over. Terrorism in the Basque provinces continues. Opposition to the separatists is growing, but a recent episode in which a suspected terrorist was allegedly tortured by police still wedded to Franco methods was a setback to that trend. There is still substantial opposition on the right to the policy of limited autonomy for Spain's various regions, which the Suarez government was implementing. The economy is in bad shape, with inflation at about 16 percent and unemployment at 12 percent and increasing. There is no better pool of talent for terrorism than the unemployed. And there is no majority political party to govern with a real mandate for change.

Given the challenges it has already withstood, it would be unfair to the Spaniards to say that their democracy is still fragile. But it would be equally unfair not to acknowledge that it continues to be threatened. Spain needs continued support from outside in the form of investment and a welcome into the European institutions it is seeking to join. It is to be hoped that the members of the EEC will do everything in their power to speed Spanish entry, and that if the new Spanish government decides to ask for NATO membership, which seems likely, that it will be welcomed.

The most important job, though, must be done at home. Unless the new leadership manages to get both terrorism and the economy under control, it will become one in a succession of short-term governments. What Spain needs now is stability. For the moment, the king seems the best bet to provide it.

INTERNATIONAL HERALD TRIBUNE.

No Rush to the Summit

There was little remarkable in President Leonid Brezhnev's speech to the 26th Soviet Communist Party Congress. Mr. Brezhnev is no Lenin or Nikita Khrushchev. He doesn't break crockery. His hallmark is a tough, stolid, bureaucratic consistency. The underlying foreign policy theme of the Brezhnev era was reiterated in the speech along familiar lines. The Soviet Union is not only a superpower, it is a global power. "The Soviet Union is prepared to negotiate the Persian Gulf as an independent problem," Mr. Brezhnev offered somewhat gratuitously. And again, in calling for a summit meeting with President Reagan, Mr. Brezhnev said, "It is universally recognized that in many ways the international situation depends on the policy of the U.S.S.R. and the U.S.A." That, of course, is correct. But Moscow's need to assert its global reach is unnecessarily defensive and inconsistent with its position in the world, which all other nations recognize. If further assurance had been needed, one would have thought the Kremlin would have found it in Mr. Reagan's campaign rhetoric, in which he attributed virtually all of the world's problems to Soviet policies. And now the State Department has added substance to that view by giving top priority in the Middle East to halting what it terms the "deteriorating position of the West vis-a-vis the Soviet Union."

The Soviet president's comments on strategic arms control, Afghanistan, Poland, theater nuclear weapons, the neutron warhead and confidence-building measures were mostly standard fare. There are a couple of morsels to chew on, such as an offer to discuss limiting deployment of Soviet Typhoon and U.S. Trident submarines and extending to the Urals and possibly to the United States the area in which large-scale military maneuvers would be announced or monitored. But there is good precedent for assum-

ing that whatever the Soviet Union has in mind, it will do a lot more for them than it will for the West.

Still to come is the considered Reagan response. In tone, at least, the Soviet Union has met the new U.S. administration's relative bellicosity with moderation. There is little danger that the Brezhnev speech will be mistaken in Washington for timidity. It will certainly get careful analysis, as promised by Secretary of State Alexander M. Haig Jr. and Mr. Reagan. The question is, though, which views of the Soviet Union will inform the debate surrounding the analysis and which outlook will prevail?

For the moment, the Reagan administration has a hard-line posture toward the Soviet Union, but it has no clear policy. That, of course, is reason enough to avoid a hasty rush to the summit. If Mr. Reagan concludes that a meeting with Mr. Brezhnev would be useful, it ought to come no earlier than the fall, barring a major crisis. The president has shown that he understands that a timely reaction is required and that it should be preceded by consultation with allies. But it is not yet clear that he understands the virtues of a supple rather than a rigid response to the Soviet initiative.

For example, the Brezhnev speech contained the now ritual efforts to divide the United States from its Western European allies. In answering the Soviet president, Mr. Reagan should be careful to take account of the differences between U.S. and European interests with respect to the Soviet Union. It should also be sensitive to Soviet concerns about China. That is not meant in either case to suggest that the U.S. reply should not be tough; just that it should not carelessly kill off opportunities, no matter how unpromising they seem.

INTERNATIONAL HERALD TRIBUNE.

International Opinion

Attack in Madrid

The coup attempt had been plotted by a group of crazy fellows and we express our strongest condemnation for their action... A drastic change in Spain's politics is mandatory so that the country can regain order and peace... In spite of that, it is clear that the madness showed by a group of civil guards — and apparently backed by some top army officers — will not only fail to solve anything but has put at the highest risk all what has been accomplished in five years of effort and sacrifice...

— From ABC (Madrid).

A group of mad civil guards humiliated in a beastial way Cabinet ministers, political leaders and parliamentarians and staged a fresh and criminal attack against the sacred symbols of popular will and democracy.

In the International Edition

Seventy-Five Years Ago
February 26, 1906

BERLIN — The German government has received telegraphic communication from the German minister at Tangier that there is not a word of truth in the assertions of the French newspapers that he or the German consul have asked the Sultan to give the Germans an order for a wireless telegraphic apparatus, nor would they support such a request at the present juncture. In Berlin, the assertion that German officers are entering Morocco in disguise is considered too ridiculous for contradiction, whereas the French winking at the contraband trade in arms in Morocco is notorious.

Fifty Years Ago
February 26, 1931

PARIS — One of the periodic attempts to marshal Communist forces throughout the world, by orders of the Moscow International, met with complete failure yesterday. Few men in the industrial centers obeyed the orders of the local Communist organizations to go on strike, while strong police forces prevented large gatherings in the big cities. The only serious incidents occurred in Leipzig, where three persons were killed and eight were seriously injured. The intention of the Moscow organizers was to take advantage of the present world depression to foment violence among the unemployed.



Reagan's Tax-Cut Theory

By Tom Wicker

NEW YORK — Most politicians, surely including President Reagan, are well aware that God must love the common man, since he made so many of them.

Yet the huge tax reduction the president would phase in over the next three years is heavily weighted toward the upper tax brackets — a striking reversal of tax-cutting tradition.

The Reagan tax cut would also give about 80 percent of the benefits to individuals, and only 20 percent to corporations; however, there would be sharply liberalized depreciation write-offs for businesses investing in new plants and equipment.

Treasury Secretary Donald M. Regan has succinctly explained the reasons for this kind of tax reduction: "What we're looking at here for the first time is an income tax cut designed to stimulate savings and investment, not consumption."

A Reversal

But many Democrats and not a few Republicans who agree with that goal do not believe the Reagan plan will reach it. Rep. Henry Reuss of Wisconsin, for example, called it a "demand-side cut in supply-side clothing" — one that, contrary to its authors' claims, would increase consumption, hence inflation. This disagreement is the major reason Mr. Reagan's tax-reduction proposals have received a chilly response on Capitol Hill than his budget-cutting plans — another reversal of political norms.

Backers of the president's plan contend that high-income persons tend to invest and save more than those of lesser means; thus, in this view, a tax cut aimed at increasing savings and investment should benefit the individuals most likely to use added income for those purposes. But opponents' doubts were not eased when Regan conceded to the Joint Economic Committee that this contention was more nearly a theory than evidence of a recognized economic model.

As these opponents proceed with what are likely to be extensive hearings on the Reagan tax cut, they will also have an opportunity to look into what might be called "the theory behind the theory." For the idea that the tax cut ought to "stimulate savings and investment" — now widely accepted — rests on still another theory, that

profligate Americans have stopped saving and investing and have become a spendthrift nation "consuming its own capital and living off its own savings," in budget director David Stockman's phrase.

Theory

A set of figures released by the Department of Commerce late last year calls into question that "theory" behind the theory. "For one thing, the department discovered that in its measurement of business investment, it had not been sufficiently taking into account the modern tendency to lease rather than buy new equipment; for another, it found that the standards it had been using in earlier investment surveys were too low.

As a result of the necessary revisions, business investment in 1979 was reported as nearly 10 percent higher than previously measured — up from \$253.9 to \$279.7 billion. By the new standards, investment was 6.1 percent higher on average in each of the last 10 years than had been reported, and the proportion of gross national product represented by investment was higher in 1980 than it was in 1970, 1960 or 1950.

The revised report also found that high interest rates had caused small investors to move heavily into money market funds and high-yielding savings certificates. So personal savings are also greater than Mr. Stockman and others have suggested.

The revised Commerce Department figures do not necessarily refute the need for a tax bill aimed at stimulating even more savings and investment. But they provide another reason for misgivings about the Reagan tax bill and suggest that it is far from irresponsible for members of Congress — particularly the Democrats who still control the House — to take plenty of time to analyze the president's admittedly bold and innovative plan to reinventorize the economy.

Riding the Crest

In fact, the most impressive claim made for Mr. Reagan's proposals — that they represent a virtually complete break with the past — argues less for hurried passage than for careful consideration. The president and his lieutenants, of course, would like to pull everything as neatly as possible into one package, requiring only one vote; that would greatly increase the po-

litical difficulties of opposing "the president's program."

Under any circumstances, constructive opposition will not be easy for congressional Democrats while Mr. Reagan is riding his early crest of popularity. No doubt they'll be accused of trying to thwart the national will as expressed in the election; no doubt impatient conservatives will say they're clinging to outmoded liberal ideas.

But responsible legislators, particularly those of the opposition, have the obligation to scrutinize carefully and at length anything billed as a "complete break" or a "new beginning" and burdened with so many uncertain aspects. For the Democrats to abdicate that responsibility would be the most dangerous politics of all.

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Brezhnev and Reagan: On Talking It Over

By James Reston

WASHINGTON — Secretary of State Alexander M. Haig Jr. said the United States was "very interested" in the Soviet Union's proposal for a Reagan-Brezhnev meeting and would study it "very, very carefully," but he sounded a little wary.

This is no invitation to a dance. The Reagan administration is simply not ready for such sudden diplomacy. It is too new, too divided, too suspicious, and too preoccupied with its domestic economic recovery program to rush to the summit for a reappraisal of the deteriorating relations with the Russians.

It hasn't even been able to persuade Jesse Helms, the conservative senator from North Carolina, to allow it to organize the State Department. It has no ambassador in Moscow. It doesn't know yet how much cooperation it can expect from Congress. And it is just beginning to talk to the leaders of the alliance.

Two Views

There are two quite different views within the administration about how to approach the Soviet Union. One is that the administration must first get its economic and defense budgets through Congress so that it can "negotiate from strength." A corollary of this is that the Soviet Union must agree to a "code of conduct," outlawing the use or threat of force in third countries, before entering into negotiations on the Middle East, the Gulf, missile force reduction and the limitation of nuclear arms.

The other view is that the arms race, among other problems, may get out of control before Congress approves a stronger economic and defense policy and, besides, that the United States cannot get any agreement with the Russians without talking to them about it.

The allies, particularly the French and the West Germans, tend to agree with this latter view. The British prime minister, Margaret Thatcher, now in Washington, may go along with those officials who believe Leonid Brezhnev is talking about "an active dialogue with the West" precisely because the Reagan administration has been taking a hard anti-Soviet line. But Paris and Bonn are not so sure.

Bonn's Position

The French foreign minister, Jean Francois-Poncet, has been in Washington this week talking about new efforts to stop the decline into cold war oratory, and specifically urging the United States to talk to the Russians about ending all foreign intervention in Afghanistan.

Next week, the West German foreign minister, Hans-Dietrich Genscher, will be in Washington, and his government, like the

French, favors talks with the Soviet Union — at least preliminary and exploratory talks that might define the issues for more formal negotiations later on at the ministerial level if not at a summit conference.

These views will eventually have some influence on the Reagan administration. For Washington is not likely to get the cooperation the allies for larger defense budgets and a tougher anti-Soviet policy in Europe, the Gulf and elsewhere if it rejects Mr. Brezhnev's offer of a dialogue on world problems, which as they are more important than, for example, El Salvador.

Also, at least some of the major allies differ with Washington on their appraisal of the Soviet Union's position in the world. They agree about the menace of its military buildup, but they seem impressed by Moscow's political and economic failures than Washington.

Mistake of Carter

This is not an argument for Reagan-Brezhnev summit meetings on the wide range of topics proposed by the Soviet leader. It could understand bilateral talks between the two major nuclear powers on the limitation of strategic arms. Mr. Francois-Poncet said in Washington this week, "We don't want any more U.S.-Soviet talks to settle the affairs of the world."

When Zbigniew Brzezinski, former head of the National Security Council, left the White House, he said, despite his anti-Communist reputation, that one of the greatest mistakes the Carter administration made was that in four years President Carter had only one "serious strategic discussion" with Mr. Brezhnev.

That took place at the signing of the SALT-2 treaty in Vienna in June, 1979. "I don't think we've made quite clear to them at the time what we regarded as our vital strategic interests until then," Mr. Brzezinski added. "If we had, the might have been more careful in Africa and Afghanistan. I wish we had engaged them earlier in such discussions."

Mr. Haig will eventually come to a similar conclusion, but he's certainly not there yet.

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Extremes on Cambodia

By George F. Will

WASHINGTON — Extremists go to extremes. That is one of nature's mechanisms for protecting the truth from extremists.

William Shawcross' extremism was displayed in his book's title, "Sideshow: Kissinger, Nixon and the Destruction of Cambodia." Cambodian Communists killed perhaps 3 million of the 7 million Cambodians, and guess who "really" was to blame?

Now Peter Rodman, formerly of the National Security Council staff and currently an assistant to Henry Kissinger, has given nature an assist with the defense of the truth. He has demonstrated, in an article in the American Spectator, Mr. Shawcross' extraordinary, but explicable, misrepresentations.

Mr. Shawcross boasted of basing his book on "thousands of pages" of classified documents. Mr. Rodman has examined a duplicate set of documents and has concluded that the "research" of Mr. Shawcross produced "a compendium of errors, sleight of hand, and egregious selectivity; he has suppressed a mountain of evidence in his possession that contradicted his principal points."

Evidence Ignored?

Mr. Shawcross' points were that U.S. attacks on Communist sanctuaries near Cambodia's border with South Vietnam "destabilized" Cambodia by violating its neutrality, drove the Communists deeper into Cambodia, and then into genocidal derangement.

Mr. Rodman demonstrates that Mr. Shawcross ignored conclusive evidence that Cambodia's government sanctioned U.S. bombing. When the assistant dean of the Harvard Law School heard Prince Sihanouk say in a 1980 lecture what was known when Mr. Shawcross wrote — that Cambodia approved U.S. actions — the assistant dean said, "It means that

in the debate that has riven our country for 10 years, Henry Kissinger is right and William Shawcross is all wrong."

Among the many Shawcross errors that Mr. Rodman notes is one regarding U.S. bombing targets. It is an error that should have been easily avoided, given the documents Mr. Shawcross had. It also is an error convenient to Mr. Shawcross' purpose of charging U.S. callousness.

Thesis

And Mr. Rodman shows how Mr. Shawcross, for all his supposed attention to detail, misled the month of April, 1970. In March, 1970, Prince Sihanouk told North Vietnam to leave the sanctuaries. North Vietnam's response was to invade the rest of Cambodia. On April 18, The New York Times published a map showing the Communists already in control of one-third of the country.

Mr. Shawcross virtually ignores April — the month that ended with the U.S.-South Vietnam invasion of the border sanctuaries — because it inconveniences his thesis that the invasion provoked the Communists to conquer Cambodia. Such Shawcross maneuvers served the thesis in this repugnant passage:

"All wars are designed to arouse anger, and almost all soldiers are taught to hate and to dehumanize their enemy. Veterans of the combat zone are often possessed of a mad rage to destroy and to avenge their fallen comrades. It does not always happen, however, that victorious armies have endured such punishment as was inflicted upon the Khmer Rouge. Nor does it always happen that such an immaturity and tiny force comes to power after its country's social order has been obliterated, and the nation faces the danger of a takeover by a former ally, its ancient enemy. In

Cambodia that did take place, the last eight years, degree of moderation had been foreseen. The war and the causes for which it was fought had brought desolation while nurturing and then giving power to a little group of zealots sustained by Manichee fear."

As Mr. Rodman says, acid most soldiers have "endured punishment" but none before he murdered a third of their countrymen after the war was over. Furthermore, U.S. bombing ended months before the Communists started building their mountain, skulls, ripping infants to bits, trying people up to their necks, slow deaths.

Sin

The Communists' sin, evident was to be "immature." Those resisted the conquest are to his for the conqueror's savagery. (thesis of Mr. Shawcross is internally and morally akin to the thesis that the Versailles Treaty, hence Lloyd George and Clemenceau deranged Germany and hit them, not Hitler, were to blame the Holocaust.)

"Sideshow" was seized by Americans at home and abroad passionately as life preservers seized by drowning swimmers was supposed to save their sense of moral superiority. They had called the "domino theory" and warnings that a bloodbath would follow the fall of the dominions (South Vietnam, Cambodia) fell, and bloodbath far exceeded even nightmares of those who had dictated it. "Sideshow" was warmly welcomed as alibis us are by people much in need them. And it is not really more reputable than the political ring and activities that led to need.

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Letters

More to Come

Statements such as, "There are things more important than peace," and "Detente is a one-way street," from Alexander M. Haig Jr. and President Reagan, should come as no surprise to anyone, especially Yuri Kornilov and William Pfaff (HTT, Feb. 5). Mr. Reagan's ideology from the start of his political career has been based upon something out of the 1950s, and to be surprised by such remarks is simply a matter of not having done one's homework.

Just wait — more is yet to come!

ED COTTER.

Vienna.

'Security' and Seoul

Following a statement by a senior U.S. State Department official "that military 'security,' not Gen. Chum Doo Hwan's domestic policy, is now the main concern in relations between the United States and South Korea" ("Security to Be Base of U.S.-S. Korean Ties," HTT, Feb. 4), I would like to add that the domestic policies of this recently self-appointed Korean

president pose at least as much risk to this area of the Pacific Ocean as the border situation there.

International experience shows that the policy of suppression of freedom, of imprisoning all potential political rivals more often than not ends in universal public discontent, and consequently, the tyrant is deposed. Should this be the case in South Korea, what will be the fate of the U.S.-South Korean ties? It will be a very sad fate (despite our very high hopes).

Some people assume that the situation in Iran is unique. Well, they are wrong. That kind of political misadventure may become very typical. Especially when one reads of Mr. Reagan's toast in honor of the South Korean strongman. Our president referred to the general's efforts "to strengthen the tradition of 5,000 years" [Korean] commitment to universal public freedom every South Korean political rival in prison! One cannot but regret our short memory and complete inability to learn a lesson from the most recent events.

EUGENE JAMES.
Bordeaux, France.

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هكذا في الأصل

Stockman: Wielding the Reagan Mandate

Director of the Office of Management and Budget, David A. Stockman is President Reagan's principal tax and spending surgeon. In an interview with the Washington Bureau of The New York Times, Mr. Stockman discusses the political and economic facets of the tax cuts the president proposed last week.

As a former representative, you know the lawmaker's propensity for avoiding the voters' dislike. What makes you think Congress will rise to the president's challenge?

A. The economic crisis is far more critical than it has ever been. And there is a pre-emptive mandate last fall. The American public is ready for a change. Second, there is an across-the-board basis. The typical way is "It's unfair to cut my district because you're not in it." In this case, that just won't wash.

What do you have to achieve, and by when, to persuade the financial markets and Congress itself that this politically ambitious undertaking is going to succeed?

A. The reconciliation bill obviously won't include our entire budget reform package. Block grant consolidations couldn't conceivably be done in that process. But many of the entitlement changes, such as the food stamp changes and extended unemployment benefits, could easily be handled, as could many of the appropriations reductions, for energy programs and job creation programs and so on.

The critical path would be to see movement on reconciliation during the next couple of months, and to have a final resolution by late spring or early summer.

Q. What's the timetable on a tax bill? The proposed July 1 effective date would seem to imply enactment by late May. How does that relate to the timing of the budget?

A. They're not locked together mechanically, in the sense that they pass in the same week. We're looking at the first half of this year for action to be completed.

Q. Right up to Inauguration Day you were repeating the president's campaign promise that the budget for the current fiscal year could be cut by 2 percent. But in fact much less than the \$13 billion that would be equivalent to 2 percent was cut. Why didn't you achieve that goal?

A. I think we have. We've achieved nearly a 2 percent reduction in the first round and we'll make some additional reduction proposals in the fully revised fiscal '82 budget on March 10.

How much savings do you get over the next seven or eight months if entirely a function of how quickly the Congress acts and [of how spending] removed from the pipeline translates into cash savings. Much of it will occur right before the end of the fiscal year or after. So to some degree the savings occur in fiscal year '82.

Q. Well, you said, repeatedly, 2 percent in outlays.

A. I don't know that I ever said that, but if I did, I should have said budget authority — appropriations or entitlements. That's the only practical thing to do.

Q. Among the tax measures the president said he would defer for a second bill was million tax credits. Why is an administration which is trying to cut spending and cut commitments to future spending talking about something that looks as if it would be an open-ended drain on the Treasury?

A. I don't consider tax credits in the same category as spending. Tax credits are available to a wide constituency that can use them as a matter of their own choice.

Q. But don't tax credits violate the very principle you have been hammering at — that the government should give up money only to help the truly needy? Credits go to anybody, regardless of income and need.

A. Well, I suppose you could raise that inconsistency, if you want to call it that. We don't see them as an income maintenance measure.

We see [tuition] tax credits as a way of encouraging diversity and pluralism, since the government is so heavily supporting — directly through expenditures — the public education system.

Q. Why wasn't indexing of income brackets included — that is, adjustments in the tax rates that would prevent people from automatically being lifted into higher brackets by wage inflation?

A. That will be far less necessary if our economic plan is implemented and the effects that we're projecting for the economy occur. By the time the [personal tax] reductions are fully effective, inflation in '84 and '85 [would be] falling below 5 percent. Secondly, we recognize that it will be a very tough task politically to get the initial package through. A basic decision was made not to load on any additional baggage that might interfere with that.

Q. Generally, the president is proposing what could be described as a radical, but certainly is an unconventional, approach. Isn't cutting taxes deeply at a time of deeply imbedded, high inflation of 10 percent also a rather high-risk approach? Suppose it doesn't work? Will we end up with 15 or 20 percent inflation?

A. Absolutely not. I can't for the life of me understand how people conclude that cutting taxes — thereby restoring incentives, leaving more of the income produced by firms and individuals in their own hands — is inflationary.

Q. Many economists think it's inflationary.

A. Well, the economists have been wrong in the past and I think they're wrong now.



David A. Stockman
... During his Senate confirmation hearings in January.

A Blueprint for Extending Western Security to Mideast, Third World

By Joseph Fitchett
International Herald Tribune

AS — Four prominent Western foreign policy experts have published a blueprint for a major expansion of Western security cooperation, extending it outside the traditional boundaries of Europe and the Middle East to cover threats outside Europe and meet challenges as well as counter Soviet military recommendations, if implemented, would be a fundamental reworking of collective defense since the onset of the Cold War and the formation after World War II.

The blueprint is a call for new, permanent arrangements among Britain, France, the United States, West Germany, Japan, to meet crises in the Third World. This standing five-nation core group is expanded in a developing crisis to include other nations in a position to take part in joint action, the policy experts said.

The report also says that there is a need for some Western presence — a U.S. force with European and Japanese support — to be stationed in the Middle East to deter Soviet action and promote Western political interests.

The report's overall analysis and ideas are a cogent statement of a ferment of ideas — on new formulas for relations between the allies and for military interventions in the Middle East and in European capitals.

The report also says that there is a need for some Western presence — a U.S. force with European and Japanese support — to be stationed in the Middle East to deter Soviet action and promote Western political interests.

The report is signed by the leaders of the main foreign policy think tanks in Britain, France, the United States and West Germany: David Watz of the Royal Institute of International Affairs, Thierry de Montbrial of the Institut des Relations Internationales, Winston Lord of the Council on Foreign Relations and Karl Kaiser of the Institut für Deutschen Gesellschaft für Internationale Politik. All four men are close to their national policy-makers.

The basic theme of their report is that the West faces a new set of challenges following the Soviet Union's decision to pursue a policy of world revolution and growth as a military power. The classic threat of Soviet military intervention in Europe remains — for example, because of a turmoil in Eastern Europe. In addition, however, there are new threats in the Third World, especially if encouraged by the Soviet Union, could threaten the industrial nations' economic lifelines.

"In essence, the West is called upon to redefine and expand the basic rules and institutions of its security system," the report concludes.

The text, entitled "Western Security: What has changed? What should be done?" and published this week, is the first collective effort by the four institutions. It amounts to an agenda, the authors said, intended to overcome fundamental differences in perceptions and interests among the allies and, to restore concerted Western action.

However, the ground rules have become more complex. "The days of the old 'Atlantic' system, based on U.S. predominance and its corollary, European reluctance to take wider responsibilities, are over. Given today's international realities, neither the United States nor Europe can be expected to face the challenges of the 1980s on its own," the report says.

A new transatlantic political and military bargain is required to close this gap, the report says. The United States should be more sensitive to European interests and accept a greater European share in alliance decision-making, primarily through improved mechanisms for regular consultation. In exchange, Europe should accept more responsibility in dealing with the Soviet threat and with the Third World.

To improve collective consultations, particularly before U.S. decisions are made, the report recommends that NATO, while remaining the basic forum for policy toward the Soviet Union, be supplemented by several new institutions. The seven-nation economic summit meetings should be expanded to include broad geopolitical issues.

The proposed five-nation core group would handle crisis management in the Third World and maintain consultations among senior officials. It would have a small permanent secretariat.

Among the report's other points are the following:

- Japan must be fully recognized as an important world power. "Japan should be encouraged to participate in the Western security system in such a way as not to create difficulties for its Asian neighbors," the report says. This view, diplomats said, marks a shift in long-standing European reluctance to include Japan in Western security consultations.

- The United States should continue the strategic dialogue between the superpowers. "A strategic dialogue [provided] it does not block U.S. programs needed to maintain a strategic balance," it said. NATO should proceed with its plan to put new nuclear missiles in Europe by 1983.

- All NATO countries should meet their commitments to a 3-percent increase in military spending, and the United States should improve its strength, if necessary by a draft.

- Europe should send ground and sea forces to any Western operation in the Middle East, and European governments should contribute forces or transit facilities to the U.S. Rapid Deployment Force.

- Western governments should develop a coherent East-West economic strategy covering trade, credit policy and technology transfer. The report said: "There is a striking absence of inter-allied dialogue on these issues at the highest political level."

The Reagan administration has shown initial signs of adopting the main themes outlined in the report. Europe, too, in the last year has moved closer to the U.S. view that the Soviet intervention in Afghanistan demonstrates the growing threat to resource-rich parts of the Third World, the report says.

Despite these improvements, the report says, the alliance faces an unprecedented crisis. "The West is undergoing a phase of strain and disension at the very time when it also has to deal with a crisis with the East, crises in the Third World and a prolonged economic and energy crisis," it says.

Against the background of government austerity, these pressures have touched off domestic debates within each nation: guns-vs.-butter spending arguments, replacement vs. arms control as a political approach to replace détente, force vs. aid as a way of stabilizing developing countries.

The discussion is complicated by divergences between the United States and Europe. The report says that U.S. policy has gradually evolved away from a European focus to a more global approach stressing Asia and the Middle East, a change coinciding with reduced influence for a European-oriented Eastern elite — and media — as U.S. population is increasingly concentrated in the South and West.

A parallel change has taken place in Europe. "U.S. prestige has declined in the eyes of younger European cities, particularly as a result of the Vietnam war, and as European nations became stronger economically," the report says. Yet Europeans remain addicted to "security on the cheap" provided by the United States, it says.

As a result, Americans and Europeans are tempted to indulge in contrasting nostalgias. "On the European side, it is the nostalgia for the far-reaching détente hoped for in the early 1970s, which would allow the Europeans to continue to enjoy the benefits of their peace whatever happens in the rest of the world. Hence, the temptation in

some quarters in Europe to want to continue détente at any cost ... and to play down threats."

In the United States, the report says, "a growing aspiration to return to the era of U.S. supremacy is translated in the resurgent tendency to consider every event in purely East-West terms, and the use of force as the panacea for most issues. In this context, the behavior of Europeans is viewed with increasing irritation as evidence that Europe is already sliding toward 'appeasement' or 'finlandization' with the Soviet Union."

As an example of how these different approaches have taken shape, the report cites arms control, a key element in détente policy in the 1970s.

In U.S. perceptions, this policy failed to limit the Soviet Union's strategic buildup or restrain it in the Third World. In addition, arms control is associated with a relative decline of U.S. military power.

In Europe, however, arms control, despite its limited results, is generally regarded both as a means of assuring political support for military spending and as a political means of communicating with the Communist countries, the report said.

These two extreme views, however, are gradually giving way to a broad consensus among Western governments about the need to find new momentum for collective military planning.

The main threats to the West, the report says, are likely to develop outside Europe, and Europe and the United States should work together to improve the Western capacity for military intervention.

While the main burden will fall on the United States, Europeans should supply men and ships, facilitate their movements via Europe and release U.S. resources for the Middle East — a policy that contrasts with European hesitations about helping the United States during the October, 1973, war.

The report added: "A European presence [in the Middle East] would be politically and symbolically important. It would underline to European publics their stake in the area; it would greatly help to gain American congressional and public support for a major U.S. effort in the area."

To implement this new security system, the report says, NATO should not be altered institutionally, but all the proposed consultative mechanisms should be added.

The core group — and spin-off "watch groups" on areas of tension — should be constantly reviewing developments so as to be ready in a crisis, the report says. "Particularly helpful," the report says, "would be regular meetings of officials directly responsible for a specific region, such as the Middle East — at present, there are no regular effective mechanisms for continuing consultations among such officials."

The groups should "maintain secrecy of discussions, but should be visible in practice so that Western publics and parliaments understand that the responsible nations are dealing jointly with political and security issues outside the NATO area," the report says.

China Sets a Target Figure for Population Reduction

The Planners' Goal: From 650 to 700 Million Late in 21st Century

James P. Sterba
New York Times Service

PEKING — Chinese demographers have announced target figures for population reductions that would give China an "optimum population range" of 650 million to 700 million people sometime late in the next century. They are based on one child per family for the foreseeable future.

The targets were disclosed Tuesday at the third national symposium on population science currently in session in Peking. Biologists, cyberneticists and economists told the symposium that the targets took into account China's land area, its rate of economic

development, its many unrenewable resources, proposed dietary standards and environmental concerns, according to the Chinese news agency.

A working group, headed by Song Jian, a cyberneticist, and Tian Xueyuan, an economist, reported that given China's physical and developmental constraints, a 300-million reduction in population was required.

If each Chinese couple bears only one child for the next 20 to 30 years, the population could stabilize at a manageable level of 700 million by the year 2080, the scientists said. If births averaged up to two per family, China's population a century from now would reach 1.2 billion, they said.

Tuesday's announcement was believed to be the first time Chinese scientists have disclosed what they believe their nation's population carrying capacity to be. In doing so, they tacitly admitted that population growth since the late-1950s, when their optimum carrying capacity was reached, has strained resources and served as a drag on development toward better living conditions.

Communist China's only official census took place in 1953. The next year, the population was said to be roughly 602 million, including 7.6 million on Taiwan and 11.7 million Chinese abroad — thus giving the mainland a population of just over 582.7 million.

West German Fighting Forces Learn Arts of War in North America

By Hubert J. Erb
The Associated Press

WASHINGTON — From the broad reaches of Canada to the Sun Belt of Southwest, the North American continent has become a favored and varied proving ground for the resurgent West German fighting forces — the Bundeswehr.

While the GMR is far-flung and many-sided, Gen. Nuehrenberg's Washington staff works mostly in logistics, including purchase of military hardware from the United States.

Gen. Hans-Carl von Winterfeldt, the chief of staff, says that the headquarters oversees about 200,000 contracts for training and equipment within a current budget of \$3.2 billion.

Modern Plant

GMR moves more than 30,000 German military men and their dependents in and out of Dulles International Airport in northern Virginia every year. A large warehouse building also serves as passenger terminal.

Gen. Nuehrenberg, 49, a missile specialist, sits comfortably in his Washington headquarters, a modern but unobtrusive seven-story military plant on the edge of Georgetown. He says that the staff has grown from one officer after the Bundeswehr was founded in 1955 to a present strength of 158. Growth brought expansion into the Potomac River in Arlington, Va.

The general points to a map and says that there are 36 places where German soldiers, sailors or soldiers are based in North America. On the map, Idaho was marked in red.

"West Germany would fit into Idaho," Col. von Winterfeldt, 54, says. "Remembering how small we are in comparison to this huge continent helps keep things in perspective."

Briefing officers outlined these major U.S. operations:

• All Luftwaffe jet pilots learn to fly at Shepherd Air Force Base in the Texas Panhandle, with 106 new men arriving each year.

• All German missilemen train and do their live firing at Fort Bliss, Tex., shooting U.S.-made Nike-Pershing-Hawk missiles that are descendants of V-1 and V-2 rockets the Germans fired at Britain during the war.

• Sooner or later, all German tank units, using repositioned German-developed Leopard tanks and Marder armored-personnel carriers, are brought to the Shilo maneuver area near Brandon, Manitoba, for combined arms firing exercises.

The German tankers with their black berets arrive in Canada two battalions at a time for three-week training periods, flown directly to Winnipeg from Cologne.

• The Germans have joined Canada in redevelopment of an air base at Goose Bay, Labrador, once used by wartime transports headed for Britain. U.S., British, Canadian and German jet fighters inaugurated a program for low level bombing and gunnery last summer.

The Germans also send their F-104 Starfighter pilots to Luke Air Force Base in Tucson, Ariz., and their F-4 Phantom pilot-navigators to George Air Force Base near Los Angeles for advanced flight training.

Joint Teams

Teams of officers and men are assigned to every major U.S. headquarters and service school, including German officers on the faculties at West Point, Annapolis and the Air Force Academy. Bundeswehr sailors serve on U.S. warships and Luftwaffe pilots fly with U.S. squadrons on an exchange basis.

Col. von Winterfeldt says that the operations officer on one major U.S. Navy ship and the senior pilot in a U.S. F-111 fighter wing are Germans.

Most members of this German military generation have no World War II experience but Wayne Driscoll, for 17 years a Pentagon partner of the German program, says, "I still was surprised that someone we once fought would become such a close ally ... But our relations [now] are very good."

Mr. Driscoll is deputy director of the Pentagon's Foreign Military Sales Office, Europe-NATO, and had a hand in perhaps the single biggest deal struck with Germany for U.S. military hardware so far.

Mr. Driscoll says that this involved German purchase of 175 F-4 Phantom fighter-bombers and 88 RF-4 reconnaissance jets which, according to reports in Germany, cost \$273 million.

Germany Pay

"They pay for everything they get," he says. "The planes they train in over here are theirs, although with U.S. markings. They pay for contracted maintenance. They pay for flight training and they pay for the missiles they shoot up at Fort Bliss. Nothing they get or use is free."

Maj. Glenn Burleson, U.S. Air Force contact officer for German air training, says that for fiscal 1981 the Germans will pay \$19.6 million for flying at Shepherd and another \$18.2 million at Luke.

German sources say that the Bundeswehr has spent a total of \$155 million for its U.S. air training to date.

Maj. Burleson says that German pilot trainees sent to Texas are between 19 and 22

years old and screened carefully before leaving home. He says that instructor pilots are Germans but the working language for both flying and missile training is English.

"They all speak English well," he says. "The Germans rate as good pilots and their washout rate is very low."

"Stick Time"

Where American pilot trainees get 175 flying hours the first year, the Germans contract for 240. "They want them to get as much stick time as possible while they're here."

Consistently good weather, Maj. Burleson says, hard to come by in Europe, is the main reason the Germans want to fly in the United States.

It's cheaper when you know you will have good flying weather and it makes it more comfortable for a man learning to fly."

The Bundeswehr in America tries to maintain a low profile. Few Americans are aware that so many Germans are in their midst. The biggest attraction for most Germans, who are sent here for anywhere from eight months to five years, depending on assignment, is the opportunity to travel.

"Washington is an ideal place to be stationed," says Maj. Diederik Petersen, Dulles airport commander. "But even if you're sent into the desert, a whole continent is still out there waiting for you. There's nothing like it in Europe."

Friendly Reception

All those interviewed said their reception from Americans and Canadians was overwhelmingly friendly with great curiosity mixed in. Many, however, say that they were

taken aback by how little Americans seem to know about contemporary Germany.

Navy Lt. Comdr. Steffen Tobias, 37, summed up a generally expressed feeling, saying that he believes much of what Americans see and hear about Germany comes from war-dated films, television programs and comic books.

Three members of a guard unit commanded by Comdr. Tobias, Axel Pick, 21, Gerd Seidl, 22, and Klaus Wiyers, 21, all Luftwaffe privates first class, share a rented house in northwest Washington. They say that they date neighborhood girls and move easily about the U.S. capital enjoying a full social and cultural life.

"Sometimes, American soldiers think we are officers and we get a salute," Pic. Pick greets. Other surprises are not always so pleasant.

Shocking Joke

"Every once in a while, somebody will see us on the street and yell, 'Heil Hitler,' " Pic. Wiyers says. "Maybe they're joking but it's still a shock."

Such incidents, according to Luftwaffe Capt. Peter Recker, 37, adjutant to Gen. Nuehrenberg, are aberrations. But, he adds, he has found a lingering fascination among some Americans with the wartime German Wehrmacht.

"We get letters and calls asking for helmets, flags, medals, swords, all kinds of things. We reply that we are sorry, but we are a different German military."

"And that can be the hardest part," Capt. Recker says, "convincing even some well-meaning people we are a different kind of German from those shown on television, that we are neither beasts nor fools, that we are a new and young Germany. The trouble is so many Americans know so little about our country, and us."

Many Turks See Greek 'Threat' As More Nuisance Than Danger

By Marvin Howe
New York Times Service
ANKARA — Former Turkish Premier Bulent Ecevit wrote a poem about Turks and Greeks more than 30 years ago, and this passage from it still holds true:
*We've sworn at each other,
We've drawn knives like enemies,
Yet a love lies hidden in us
For days of peace.*

Turks are generally tired of disputes with Greeks and would like to put an end to them, if this could be done while preserving the national honor.

But there is no evidence in Turkey of the kind of obsession found in Greece over a "threat" from Ankara. For the average Turk, unlike his Greek counterpart, the problems between the two countries are more of a nuisance than a danger.

This difference stems essentially from the fact that while Turkey may be the principal problem for Greece, the Turks have more pressing problems than their relations with the Greeks: the disastrous state of the economy and one of the world's highest inflation rates; the reduced but persistent political violence; a benevolent military dictatorship in search of a workable democracy; tension on the long border with an increasingly militant Soviet Union, and the ramifications of the war between Iraq and Iran.

Superiority Complex
There is also the Turkish superiority complex. "We can't forget," a Turkish civil servant said recently, "that we ruled Greece for nearly 400 years, defeated her in the war of liberation in 1922, and belong to a much bigger country with five times the population."

The military, however, sees things somewhat differently and is **Inmates Free Guard, Give Up in Italy Jail**
FOSSOMBRONE, Italy (AP) — Five prisoners surrendered Tuesday after releasing a guard they had held for nine hours in the maximum-security prison here northeast of Rome, police said. One of the prisoners is Roberto Ognibene, an avowed member of the Red Brigades urban guerrilla organization, who is serving a 28-year term for murdering a policeman.

seriously concerned about a possible clash with Greece. "We would get support from our NATO allies in a crunch with the Soviet Union," said a source close to the military leadership. "but we'd be alone if a war broke out with Greece."

He said military leaders consider a clash with Greece "a real possibility" and mentioned two incidents when the countries came close to war — Turkey's 1974 intervention in Cyprus to protect Turkish Cypriots and a Turkish ship's 1976 exploration for oil in a part of the Aegean claimed by Greece.

Turkish military experts point out that although they have four times as many ground forces as the Greek contingent of 130,000, the Greeks are better equipped and less spread out. The Turks have an important sector of their army deployed along the Soviet border and other troops are engaged in fighting leftist and rightist terrorists. The Greek Air Force is said to be superior in the Aegean region and the Greek Navy is said to be in a better state of readiness. The Greek Air Force also recently acquired several American TA-7H medium-range bombers that could "strike at the heart of Anatolia."

There is concern among some Turkish military officials over rumors of a "vendetta mentality" among Greeks who feel that the Turkish invasion of Cyprus was a defeat for Greece and are pressing for retaliatory strikes against Turkey's strategic installations.

"The Atatürk Legacy"
"We are the guardians of the Atatürk legacy," Turkish Defense Minister Havlis Bayraktar said, referring to Kemal Atatürk, who founded the Turkish republic in 1923. Mr. Atatürk and the premier of Greece, Eleutherios Venizelos, initiated "the era of Greco-Turkish friendship" in 1930. It lasted about a decade.

The present Greek-Turkish talks, which got under way in October, are seen as a serious effort by both sides to revive "the Atatürk-Venizelos spirit" and resolve some delicate issues, particularly over air, territorial and mineral rights in the Aegean.

The main question in dispute is the continental shelf. Turkey holds that the continental shelf should be divided "equitably" and the Greek islands should have a shelf decreasing in proportion to their distance from the mainland, according to Turkey's foreign minister, Diter Turkmen. But the Greeks, Mr. Turkmen said, hold that Turkey should have practically no shelf. He stressed that the question was "highly po-

litical" and should be resolved through negotiations between the two countries and not by an international court, as the Greeks have proposed.

Another "serious problem" is the militarization of the Greek islands, which Mr. Turkmen said was a treaty violation. "The islands can be used as a springboard for an attack against Turkey," he said, emphasizing that the issue constituted a threat because, he said, the Greeks were increasing their military capabilities in the islands.

Like Greek officials, Mr. Turkmen emphasized that the Cyprus question should not be linked to the Aegean dispute, but he expressed cautious hope about the progress of the current talks between Greek and Turkish Cypriots and said any settlement would have "a positive effect" on Greek-Turkish relations.

Some Turkish politicians feel that the military regime is eager to make progress on a settlement with Greece, not only to avoid a possible clash but also because they feel it would be easier to obtain badly needed Western military aid than the Cyprus and Aegean questions were resolved.

From Agency Dispatches
ATHENS — At least 12 persons died and more than a thousand houses were destroyed or damaged when two earthquakes and 200 smaller tremors shook southern Greece, police said.
More than 60 people were reported injured as the Gulf of Corinth area — 44 miles (70 kilometers) west of Athens and the epicenter of the first big quake — was declared a major disaster zone.

The Athens Seismographic Institute said the first quake, on Tuesday night, registered 6.6 on the Richter scale and the second major tremor, at dawn Wednesday, was measured at 6.3. Officials said that while another tremor could not be ruled out, the possibility of a major quake was statistically remote.

Civil engineers toured the area Wednesday and inspected damaged buildings, while government authorities arranged emergency accommodation for the homeless. Premier George Rallis toured the Corinth area and ordered a step-up in emergency services.
Sleeping in Cars
In Athens, most people spent Tuesday night outdoors or slept in cars while others left the city, fearing new tremors. With the exception of government offices, where many failed to appear for work, all offices, schools and banks in Athens were shut Wednesday; the only shops open were food stores. Some downtown shop windows



Only the bell tower of the church in Perakhor withstood the earthquakes that hit southern Greece Tuesday and Wednesday.

2 Major Quakes Strike Southern Greece; 12 Dead

service between Athens and Patras was suspended because of damage to a bridge over the Corinth Canal, a police spokesman said. Schools in Athens and in all towns on the Gulf of Corinth were closed.

Villages between Athens and Corinth were hit harder than the capital.
Afghan Guerrilla Says U.S. Talks Are 'Very Useful'
The Associated Press
WASHINGTON — The leader of an Afghan rebel group says he has had "very useful talks" with senior officials at the State Department, discussing the question of U.S. military aid to help the Islamic guerrillas in their fight against Soviet troops in Afghanistan.

Sayid Ahmed Gailani, who heads one of six major Afghan resistance groups based in Peshawar, Pakistan, said in a statement that "this week we have had many very useful meetings with... senators and congressmen as well as high-ranking officials of the State Department."
He said that although the rebel forces have adequate manpower, "we need SAM-7s and other surface-to-air missiles to shoot down the Soviet helicopter gunships that are slaughtering our people. We need ammunition for our rifles."

Regarding possible U.S. military assistance to the rebel forces, Mr. Gailani said, "there has not been any commitment, but we have exchanged views on all aspects of the Afghan situation." He said the talks were conducted at the assistant secretary level.
The State Department had no comment on Mr. Gailani's statements.

These officials said the Italians do not put enough forces into NATO, keeping their small but very good navy close to home. The French navy also operates essentially as a defensive force. The sources said that the West Germans seem not to appreciate the military load carried by the United States in the Gulf area.

Strikes in New Zealand
WELLINGTON, New Zealand — Ports at Auckland and Christchurch were closed Wednesday by widespread strikes following the arrests on Tuesday of 48 men on an Auckland picket line.

Some downtown shop windows were broken and large glass doors and windows were broken at the 14-story Athens Hilton, the tallest hotel in the city. A Hilton employee said there was "some panic and some cracks in a few inside walls, but nothing serious."
"We never felt such a strong earthquake before," said 74-year-old Angeliki Michas of Athens. "The television almost fell from its table. The lights went out and all of a sudden I heard people in the street shouting and crying."

An Athens woman died of a heart attack in the middle of the street and another was killed when she jumped from her second-floor window, police said.
Hellenikon Airport in Athens was operating normally but rail

there has been very little action" by those allies.
Adm. Crowe avoided publicly criticizing specific Western European countries. High-ranking officers, who asked to remain anonymous, said privately that they are unhappy with the attitude of the Italians, the West Germans and the French.

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John Moors Cabot, 79, Veteran U.S. Diplomat

Washington Post Service
WASHINGTON — John Moors Cabot, 79, a career diplomat who served as U.S. consul general in Shanghai when the Communists came to power in China and as U.S. ambassador to Poland and four other countries, died Monday following a stroke.
His last post as ambassador was in Poland, from 1962 to 1965, where he represented the United

From 1948 to 1949, Mr. Cabot was consul general in Shanghai. It was largely because of his experience in China that Mr. Cabot was appointed ambassador to Poland by President John F. Kennedy.
Mr. Cabot was born in Cambridge, Mass., to Godfrey Lowell and the former Maria Moors Cabot. Educated at Harvard and Oxford, he joined the U.S. Foreign Service in 1926.



John Moors Cabot in a 1961 photograph.

OBITUARIES

States in its only regular contacts at that time with China. These took place in Warsaw for several years. Much of Mr. Cabot's career was spent in Latin America. He was an early and outspoken advocate of U.S. economic aid to that part of the world and for social reform in Latin American political systems.

The second major portion of his career was in Communist countries. In 1947, he was appointed counselor of the U.S. Embassy in Belgrade. He was credited during this period with forecasting the possibility of a break between Tito and Stalin. This split the first major rupture in the monolithic front of world Communism — occurred a year later.

He was ambassador to Pakistan from 1952 to 1953, Sweden from 1954 to 1957, Colombia from 1957 to 1959 and Brazil from 1959 to 1961.
He served briefly under President Dwight D. Eisenhower as assistant secretary of state for Inter-American affairs.

Robert S. Allen
WASHINGTON (WP) — Robert S. Allen, 80, one of Washington's most colorful and controversial newspapermen of the New Deal era and the original partner of Drew Pearson in writing the "Washington Merry-Go-Round" column, was found dead Monday in his Georgetown home. Dr. James L. Luke, the D.C. medical examiner, said Mr. Allen shot and killed himself. He had cancer.

Known widely as "Colonel," the Army rank he achieved as an intelligence officer on the 3rd Army staff of Gen. George S. Patton Jr. during World War II, Mr. Allen served in the cavalry during the Mexican border campaign of 1916-17 and in France during World War I.
Attending the University of Munich on a scholarship in 1924, he covered Hitler's beer hall putsch and subsequent trial for several American newspapers.

Returning to the United States, he joined the United Press and later the Washington bureau of The Christian Science Monitor. In 1930, Mr. Allen joined Mr. Pearson, then a Baltimore Sun correspondent, in anonymously writing a book, "The Washington Merry-Go-Round," which irreverently portrayed the capital and many of its political and social notables. When their identities were learned, both authors were fired from their jobs. In 1932, the two teamed to write the "Merry-Go-Round" column, which became nationally syndicated. The column is carried on today by Jack Anderson, but without the original title.

Illo Browne Wallace
SOUTH SALEM, N.Y. (AP) — Illo Browne Wallace, 92, the widow

CARE Ex-Chief Is Imprisoned
United Press International
NEW YORK — The former executive director of CARE was sentenced to a year in prison for pocketing \$110,000 of the relief agency's funds.
The sentence was imposed Tuesday on Louis Samia, 56, of suburban Katonah, N.Y., by Manhattan Supreme Court Justice George Roberts, who accepted Mr. Samia's guilty plea Nov. 13.

Mr. Samia, who over a 33-year period rose from a clerk in the agency's accounting department to its \$47,500-a-year executive director, admitted taking the money by pocketing CARE contributions.

3 GIs Die in Copter Crash
HEIDELBERG — Three American soldiers were killed Wednesday when their UH-1 helicopter crashed during maneuvers in North Bavaria's Hohenfels training area, the Army said.

of former Vice President Henry Wallace, died Sunday. Her husband, who quit politics following his unsuccessful third-party run for president as candidate of the Progressive Party in 1948, died in 1965.

Robert J. Fish
NEW YORK (NYT) — Robert J. Fish, 68, who won the Myrtle Writers of America's highest accolade, the Edgar Award, three times, died Tuesday following heart attack. His novel "Mute Whispers" was made into the film "Blitt," starring the late Steve McQueen.

Pakistan Arrest Political Figure Who Oppose Zia
ISLAMABAD, Pakistan — Pakistan's military authorities Wednesday arrested more than a dozen leading opposition politicians who had led a campaign to oust Gen. Zia ul-Haq from power and restore democracy in the country, opposition sources said.

The arrests were made by security policemen in raids in Lahore, Rawalpindi and Faisalabad. Detainees came from parties who earlier this month helped set up nine-group movement for the restoration of democracy.
The sources said earlier it scores of lower-ranking opposition officials had been jailed in what was described as the biggest sweep so far following two weeks of student protest demanding an end to martial law and the holding of parliamentary elections.

Censorship Opposed
KARACHI, Pakistan — Pakistan's newspaper editors have asked the military government to lift censorship of newspapers, charging that it has created a credibility gap. Censorship was imposed in 1979 and editors have had to submit their entire newspaper to government officers for a check before they are printed. In the process, any reports which oppose government positions are deleted.

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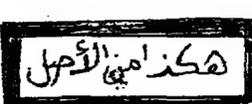
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Wine

Bordeaux '61s Tasteoff; Verdict: They're Superb

By Terry Robards
New York Times Service

ORAL GABLES, Fla. — They came from London and Dublin, from Malmo, Sweden, from San Juan, Puerto Rico, from New Orleans and Houston and Dallas and New York, a group of enthusiasts a passion for the wines of Bordeaux. They came here for an extraordinary tasting of the celebrated 1961 vintage, to determine whether it is made in that glorious year are the wines of the century, the greatest produced in Bordeaux in a hundred years and possibly the finest made.

Perhaps the most comprehensive sampling of the vintage ever assembled was uncorked last weekend by Dr. Louis C. Skinner Jr., a Cornell dermatologist and connoisseur. In a tasting that amounted to a picnic showdown for the Bordeaux of a single great year, a tasting that only will never be duplicated, he presented 1961 Bordeaux reds of 50 chateaus, an array with a value that averaged more than \$100 a case, and there were two bottles of each.

The wines were decanted, tasted and carefully analyzed in three two-sessions, and a conclusion was reached: The vintage of 1961 in Bordeaux may indeed be the finest of the century, surpassing the 1945 and 1929, but it is too soon to know. Like most other great vintages, a 20th most of the 1961s are too young to drink.

At its face it, here are with the opportunity of a lifetime. Let's say in it," said Michael Broadbent, wine director of Christie's auction house in London, who flew in for the event. He spoke after tasting Jean Petrus side by side with Chateau Cheval Blanc, a comparison few oenophiles are ever in a position to make in any vintage, much in the 1961.

It is what I call an embarrassment of riches," the wine importer said as he sipped a Chateau Palmer, which several of the 20 were regarded as the best of the vintage at the moment. Others preferred the Chateau Latour, and some opted for the Chateau Lynch-Bac, the Chateau Haut-Brion and the Petrus.

It was clear, however, that the 1961 Bordeaux in general are wines of intense concentration, with an intensity of flavor rarely matched by other years. Many remain tannic and undeveloped, but the fruit of Cabernet Sauvignon and Merlot grapes that are predominant in Bordeaux is beginning to emerge. Eventually the wines will be round and soft, with a velvety texture and that same flavor intensity, but the ripening process may take decades more.

Broadbent, who may well have tasted more old and fine Bordeaux any other person, suggested that the 1961s ultimately might surpass 1945, many of which are still in superb condition. But making direct comparisons between two vintages 16 years apart is difficult.

Contribution to Love

Skinner said his motive for the tasting was strictly academic: to appraise the progress of the 1961s as they enter their third decade. "Basically I wanted to make some sort of contribution to wine knowledge, to something to the wine world," he said.

He is a 65-year-old bachelor who began accumulating wines about 25 years ago, when they were relatively inexpensive. The cellar in his Mediterranean-style house contains about 4,000 bottles, including many more of the 1961 vintage.

The attraction of the event for all the other tasters was the opportunity to sample such a comprehensive collection from a vintage that has led more attention and commentary than any other in France.

It was produced.

Many connoisseurs have attempted to collect the 1961 Bordeaux, but the vintage was only about 40 percent of a normal-sized crop and the wine was scarce virtually from the moment they were made. Anyone who bottles from a dozen different chateaus in his cellar has a fairly large quantity. Fifty was unheard of until Skinner sent out his invitation.

A group included Dr. Marvin C. Overton, a neurosurgeon from Ft. Lauderdale, whose wine collection is famous. He held a tasting of Chateau Rothschild three years ago that included wines dating back to 1850.

Preparing for his tasting, Skinner stood each bottle upright on the table in his air-conditioned dining room for a week, to permit the maturation to sink to the bottom. Then the bottles were carried in the trunk of his 1961 Rolls-Royce to the David William Hotel, a five-minute drive where the tasting took place in a private room.

Art

Van Gogh, Cloisonism Examined in Toronto

By Hilton Kramer
New York Times Service

TORONTO — Few artists of the modern era have won a posthumous fame equal to that of van Gogh. His short, stormy career has long been exploited by purveyors of popular entertainment. Certain of his paintings have acquired the status of visual clichés, instantly recognizable even to people who never set foot in an art museum.

But fame of this sort is never an unalloyed blessing. By dwelling on and embellishing the artist's life, it diverts attention from the artistic labor that formed the central focus of his existence.

It is good news, therefore, that with the exhibition called "Van Gogh and the Birth of Cloisonism," at the Art Gallery of Ontario, we are a long way from the myth of the mad painter. This is a very serious, deeply pondered exhibition.

Its superb selection of nearly 150 objects — most of them paintings by van Gogh and Gauguin — brings us very close to the real life of art in one of the crucial periods of the modern movement, the 1880s in France. This was the dawn of the Post-Impressionist epoch, and this exhibition does a great deal to define van Gogh's pre-eminent place in the art of that epoch.

"Van Gogh and the Birth of Cloisonism" remains in Toronto through March 22. It will then travel to Amsterdam, where it will be on view from April 9 to June 14 at the Rijksmuseum Vincent van Gogh, which has supported the exhibition with a great many significant loans from its permanent collection.

The van Gogh we see in this exhibition is an artist deeply involved with the art and the artists of his time — an innovator alert to the innovations of others, and uncommonly generous in acknowledging their accomplishments. I know of few exhibitions that give such a vivid, close account of the complex interrelationships among artists.

The organizer of the exhibition, Prof. Bogomila Welsh of the University of Toronto, concentrates on the years 1886-91. In addition to van Gogh and Gauguin, the artists whose work is scrutinized are Toulouse-Lautrec, Emile Bernard, Louis Anquetin, Jakob Meyer-de Haan, Paul Serusier, Charles Laval and Maurice Denis. Welsh's mastery of artistic events in this five-year period is impressive. She knows what the artists did, why they did it, what they said about it, what they exhibited and where, and what the critics wrote about them. She also knows what the crucial pictures are, and she has secured the loan of a great many of them.

We are thus brought into intimate contact with the dynamics of artistic decision at a time when painting was undergoing a radical change of style. Impressionism no longer commanded the allegiance of the younger members of the avant-garde. There was a new appetite for stricter form, and for a freer, more expressive use of color. Seurat's Pointillism represented one important aspect of this anti-



Paul Gauguin's self-portrait dedicated to his friend Vincent.



Van Gogh's "La Berceuse: Madame Augustine Roulin."

Impressionist ferment. Cezanne's innovations represented another. What is traced for us in "Van Gogh and the Birth of Cloisonism" is the response of van Gogh, Gauguin and their circle to the new situation.

Many names have been attached to the art these artists pioneered. Welsh speaks of the "veritable rainfall of art nomenclature" that had accumulated around the movement as early as 1891. In choosing to isolate Cloisonism as the central impulse of the movement, however, she is on solid ground. The term may be unfamiliar to many museumgoers, but its premises were essential to the art in question.

Divided Compartments
"Cloison," as Welsh explains, "literally means 'partition.'" It is derived from cloisonne enamel work, whose strictly divided compartments served as containers of pure color. What resulted was a style — at once anti-naturalistic and quasi-abstract in spirit — similar to that found in stained glass windows and Japanese prints.

The term was first applied to modern painting by the critic Edouard Dujardin in 1888 to describe the work of Anquetin. What Dujardin admired in Anquetin's work was the strict distinction it made between drawing and color, and its emphasis on outline to contain discrete areas of color. This was indeed a sweeping repudiation of Impressionist practice.

Impressionism was easier to renounce than to abandon all at once, however. Traces of it persisted even in paintings conceived to repudiate it. One of the things that makes Welsh's exhibition so absorbing is the way it follows the course of this artistic struggle year by year, sometimes season by season.

In this effort, van Gogh clearly emerges as the most powerful single talent. If only for the 37 pictures by him in this exhibition, we would have to count this a major event. Yet his art gains much from being shown in the company of his immediate contemporaries. While his painting is more intensely felt than theirs — Gauguin looks particularly cold by comparison — it shares many of the same intellectual impulses. Moreover, we cannot wholly understand van Gogh without a sense of what he rejected in his contemporaries, and this, too, the exhibition underscores.

Gauguin is also well represented, with more than 30 works, but the real discovery of the show for some viewers is likely to be Bernard, who emerges with a new stature. There are 20-some pictures by him in the exhibition, many not only unfamiliar but of a quality that effectively removes the artist from the shadow of Gauguin's influence.

The London Stage
'Ticket-of-Leave' Lacks Punch of Melodrama

By Sheridan Morley
International Herald Tribune

LONDON — These things generally happen in threes: First there was "Streets of London" out at Stratford East, then "Nicholas Nickleby" at the Aldwych, and now "The Ticket-of-Leave Man" on the National's Cottesloe stage. All are mid-Victorian melodramas, all are concerned with money and social injustice and all seem suddenly to be of interest to British theatergoers, though whether for reasons of nostalgia or historic horror is not entirely clear.

"The Ticket-of-Leave Man" was written in 1863 by Tom Taylor, who was the third editor of Punch, an art critic for The Times, an early and ferocious campaigner for a national theater and, alas, most famous for being the man who wrote the play at which Abraham Lincoln was shot.

That play was "Our American Cousin." Had it been "The Ticket-of-Leave Man," I would venture to suggest that missing its last act would not have been among Lincoln's greater regrets: the play itself leaves a lot to be desired, and has not been much helped by an extraordinary, though sadly not unique act of National Theatre mismanagement. Having chosen a play which fairly screams for a production of each others' mannerisms and techniques, the National has assigned "The Ticket-of-Leave Man" to the experimental Cottesloe stage and to a cast few of whom appear to have met each other before.

Though the director, Piers Haggard, has had one or two splendid notions, such as a Palm Court trio to underscore the more melodramatic moments, his production is time and again betrayed by uncertainty of style and lack of confidence in this creating sub-Dickensian saga.

It starts off as a rather good yarn: The ex-convict of the title is desperate to go straight, but is up against forces of Victorian society both legal and criminal, all determined that once a convict, forever a convict. Fifty years later Galvani would have seen the story of Robert Brierley (impassively played by Paul Copley) as a condemnation of London society; Taylor is not so sure, and tends to bog down in sentimental subplots while trying to make up his mind.

The best parts are those of the detective (Michael Elphick) and Tiger, the criminal (Jack Shepherd), and in a large cast it is only really those three players, together with Copley and the ever-splendid Jane Carr as a saloon singer, who have the courage of the Victorian convention. Others play in an uneasy halfway house somewhere between belief and parody, and even five days after the opening there seemed to be remarkable uncertainty about the dialogue and the blocking of the fights by William Hobbs. As a result, an evening that needs to be swift and sure looked ponderous and messy, though it may, given time, play itself in.

At the Round House, Alan Ayckbourn's "Suburban Strains" is a catastrophic attempt to do an English version of Stephen Sondheim's "Company." Here, too, we have a musical about marriage on the rocks, but one for which Ayckbourn has composed some lyrics of stunning ineptitude set to matching music by Paul Todd. True, this one is not a lot worse than Ayckbourn's only other musical, "Cries," but it's not a lot better, either. Everything that he is good at (the tight little dinner party gradually unraveling into chaos, relative values, the mix-and-match couples) has to survive here alongside nondescript numbers that serve only to interrupt the flow of an otherwise possible comedy.

A sprawling, aimless, awful time is to be had by all, though it is possible that something might have been saved from it had Ayckbourn not decided to direct it himself and take it to the vast open spaces of the Round House. Given a small stage and somebody who knew something about choreography, it might have been fractionally better.

Returning home from Broadway, I have belatedly caught up with "Four in a Million," devised and directed by Les Blair and at the Royal Court's Theatre Upstairs, though only until the end of this week. If you can imagine Coward's "Real Peppers" rewritten by the late Joe Orton, that is essentially what we have here. Blair has had the excellent notion of building a play around four tacky club performers.

What Blair is on about here is the gap between stage image and private reality. Thus the gloomiest of the foursome ends up doing horrendously cheerful impressions of Andy Stewart while the most genteel of them has the roughest patter. The three-hour show badly needs about 40 minutes lopped off it, but in there somewhere are some savage and very funny notions about the concept of British showbiz today.

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Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel surcharges reasonable, go ahead and call. No Teleplan? Read on!

SAVE WITH A SHORTIE

In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. The surcharge on short calls is low. And you pay for the call from the States with dollars, not local currency, when you get your next home or office phone bill.

SAVE THESE OTHER WAYS

Telephone Company credit card and collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

Now...is that you on the left? Not bad. You can still shake a leg.

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USINESS NEWS BRIEFS

Plans One-for-Seven Rights Issue

SKOPEPING, Sweden — Saab-Scania said Wednesday it proposes its 786 million kronor (\$173 million) share capital by 224 million to 1.01 billion through a one-for-seven rights issue at 60 crowns a new share will be entitled for the full 1981 dividend.

ichi Reports Technology Deal With GE

KYO — Hitachi said it has signed an agreement with General Electric on an exchange of advanced production technology. Hitachi said the agreement covers technical information and technology concerning quality controls, productivity and reliability.

Thomson Pulls Out of Solar Venture

SUN — Thomson-CSF, electronics arm of the Thomson-Brandt has decided to pull out of a joint venture set up two years ago Solar Power Corp., a unit of Exxon, sources close to the company Wednesday. Thomson also notified the Pechiney Ugine Kuhlmann group of its no longer intends to pursue a cooperation agreement signed for the development of a silicon specially adapted for solar technology. The joint subsidiary with Solar Power Corp., called was to have manufactured photovoltaic solar energy systems. Sources said Thomson's decision to abandon its solar energy effort because of the excessively high level of investment required.

a Sees Difficult Year Ahead

NICH — Veba, the energy group comprising West Germany's largest in terms of sales, faces a difficult year in 1981 after 1980 gains that will allow payment of a satisfactory dividend, according to Von Benningsen-Foerder, managing board chairman. Veba is also reporting in Munich, the head of the Duesseeldorf-based power and chemical group said 1980 sales rose about 11.8 percent, nearly 41 billion Deutsche marks from 36.7 billion DM in 1979. However, Mr. von Benningsen-Foerder explained that the rise represents an increase of only 3-to-4 percent in real terms. He was seen as hinting that the 1980 dividend would match the payout of 7.50 DM per share. Mr. von Benningsen-Foerder said Veba oil refining operations were showing losses after all company as operated without loss in 1980.

to Invite Tenders on Car Industry

HDAD — Iraq will appoint an international consultant in the weeks before inviting tenders from world car manufacturers to set up a domestic car industry here, a senior Iraqi official said today. Yehya, head of a special commission set up by the industry to establish an automobile sector, estimated Iraq would initially at least 1 billion Iraqi dinars (\$3.3 billion) on the project. Yehya said that tenders for licensing agreements to manufacture cars, for factory construction and the import of technology would be by July.

ark Decides to Spin Off Swift

AGO — Esmark, which tried unsuccessfully to sell its Swift & Smith meat division last year, has decided instead to spin it off as an independent firm. Chicago-based conglomerate filed a registration statement Tuesday with the Securities and Exchange Commission for the issuance of 5 million shares in Swift Independent Corp. The shares, which are expected to sell for \$13 to \$15 each, will include 2.5 million to be offered to the public and 2.5 million to be held by Esmark, with the remainder used for employee ownership plans.

sushita Electric Expects 10% Net Rise

KA — Matsushita Electric Industrial Wednesday predicted a 10.1 percent rise in net consolidated income in the business year ending Nov. 30, 1981, to 137 billion yen (\$668 million) on sales of 3.30 trillion yen, a rise of 13 percent. The company said the main reason for the predicted increase in income and sales is that sales of video tape recorders will continue to rise, it said. Total VTR sales increased a particularly sharp 84 percent in 1980.

apanese Considering Credits for China

Hobart Rowen — Japan is considering lending China the money it needs to complete the construction of four major petrochemical plants, as well as to facilitate the construction of crude oil pipelines to the plants. It was disclosed by Saburo Japanese ambassador for relations, who recently returned after China and it was canceling or postponing construction of the four and work on a major steel plant in the Baoshan works in Liaoning.

Mr. Okita said that final decisions have not been made, but that it is likely that at least part of the original petrochemical capacity will never be built. The Baoshan plant, on the other hand, will be delayed and not canceled. He said that China intends to complete the first stage, with a capacity of 3 million tons. But given the budget restraints, it will take four years instead of one to complete. Mr. Okita raised the possibility of assisting with financing of local construction costs of the petrochemical facilities, and assisting with petroleum imports — an activity with which China, still a net exporter, has had little experience. China this week sent a mission to Tokyo to negotiate with some 300 supplier companies who are affected by the outbreak decision. This process may take a month. Although Mr. Okita could not make it explicit, it is clear that Japan values its creditworthiness and is making compensation payments according to international law. Mr. Okita cited China's of paying off its entire debt to the Soviet Union in the 1960s, and exploring with Mr. Gu and Chinese leaders what had wrong with the original Chongqing, Mr. Okita said it planned to him that in the y to improve consumer standards, wages had risen. But at the same time, the ous construction program

Saudis Seeking Men For Empty Quarter

By Pranay B. Gupta
New York Times Service
RUB AL KHALIL, Saudi Arabia — In the wilderness of the Empty Quarter, amid red sand dunes that rise hundreds of feet and where temperatures can soar above 140 degrees, the search for oil goes on around the clock. While drilling is tough work, so, too, is the job of getting drillers to come here, according to the Arabian American Oil Co., which produces nearly all the Saudi crude. "Our biggest problem is manpower," an Aramco executive said in an interview at company headquarters in Dhahran, about 800 miles north of here. "We are expanding dramatically and we need people — and we aren't getting them in the numbers we want." Because of these problems Aramco has embarked on a recruiting drive in the United States and Europe and is stepping up its program to recruit and train Saudi nationals. Manpower Need Aramco officials say there is a renewed urgency to this recruiting drive because of the continued need for more manpower in the company's traditional activity — oil production — and Aramco's rapid expansion in areas such as electrification and gas production. In Saudi Arabia's Eastern Province, for example, Aramco is constructing an electrification network that will produce 5,000 megawatts of power, twice that produced by the facilities at Egypt's Aswan Dam. Aramco's manpower shortage involves two categories of labor — skilled foreign expatriates and skilled Saudis. Most of the drillers are European or American. Those who are Egyptian or Pakistani make considerably less than the Americans, Canadians or Britons — because, an Aramco official said, they are hired at salaries comparable to what they would be making in their own countries.

As a result, "attractive salary and benefits" offers are made. Aramco now promises skilled U.S. workers such as engineers, geologists and environmentalists, a 40 percent "expatriate premium" on the first \$30,000 of their salary and 20 percent on the next \$20,000. This "premium" is "protected" from taxes, an Aramco spokesman says — meaning that the company pays the U.S. tax on that amount. There are no individual or corporate taxes in Saudi Arabia. In addition, foreign workers are flown to their home countries every few weeks, and enjoy other benefits such as free medical care. "January's moderate increase in the CPI, although welcome, provides little basis for optimism with regard to the underlying rate of inflation," he said. January's CPI stood at 260.5, which means that goods costing \$100 in 1967 now cost \$260.50. Put another way, one 1967 dollar has shrunk in buying value to 38 cents. Food and beverages together registered a zero increase. Prices of food bought at grocery stores fell 0.4 percent in January, the first drop since February 1980. The cost of housing rose 0.6 percent, a slower rate than recent months, as mortgage rates rose more slowly and house prices fell. However, energy prices soared, rising 3 percent over the month, with gasoline up 3.8 percent and household fuels up 2.7 percent.

Chrysler Aid Plan Clears Last Obstacle

By Thomas Boswell and Peter Behr
Washington Post Service
FORT LAUDERDALE, Fla. — Chrysler Chairman Lee Iacocca said Tuesday that the final major obstacle blocking \$400 million in new government loan guarantees has been eliminated by an agreement between Chrysler, a handful of New York banks and the government's loan guarantee board. "It all went together last night (Monday) about 8 p.m.," Mr. Iacocca said in an interview. The compromise should clear the way for final approval of the \$400 million in loan guarantees by the government board at its scheduled meeting Friday, permitting Chrysler to sell notes for that amount, a company official said. This latest arrangement for government-backed financing had been in doubt when four or five New York banks, led by Citibank, insisted on an immediate cash payment to cover a portion of their loans already outstanding. Chrysler will now pay about \$30 million to a group of 120 banks and insurance companies — equal to 5 percent of the dollar on some \$500 million in debts.

The New York banks had wanted the payment as soon as the loan board approved the loan guarantees, but the board would not go along. The compromise provides that Chrysler must make the payment in 30 days. Mr. Iacocca said the agreement eliminates \$1.1 billion in debt and saves \$200 million in interest charges this year. Creditors in effect will write off some \$300 million of debt, accepting \$800 million in preferred stock in return. Chrysler will not pay dividends on this stock until after it repays the government-guaranteed loans — it has already borrowed \$800 million with the help of the Treasury guarantee, and the newest installment will raise that to \$1.2 billion. To cover the remaining \$500 million in debt, Chrysler has agreed to pay creditors 30 cents on the dollar. Under the original plan, Chrysler did not have to make the initial payment until May, and then only if it wanted to. Under the compromise, it must pay the first 5 percent to the banks; pay-

U.S. Prices Rise 0.7% In January

WASHINGTON — U.S. inflation fell below 10 percent in January for the first time since last summer, helped by the first drop in retail food prices in nearly a year, the Labor Department reported Wednesday. The rise in January's Consumer Price Index was 0.7 percent, which translates into a 9.1 percent rate on a compound annual basis. That compares with a 13.4 percent annual inflation rate in December. Prices in December rose 1.1 percent. The last time inflation ran below 10 percent was in August, when the index showed no rise and the annual rate was 9 percent. However, even the reduced January rate sharply cut the purchasing power of workers. The Labor Department said real spendable earnings — after taxes and inflation — of an urban, blue-collar family of four with a non-working wife and two children fell 0.1 percent in January. The same family's earnings have fallen 4 percent during the past 12 months. Despite the drop in the inflation rate, Murray Weidenbaum, chairman of the Council of Economic Advisers, was not optimistic. "January's moderate increase in the CPI, although welcome, provides little basis for optimism with regard to the underlying rate of inflation," he said. January's CPI stood at 260.5, which means that goods costing \$100 in 1967 now cost \$260.50. Put another way, one 1967 dollar has shrunk in buying value to 38 cents. Food and beverages together registered a zero increase. Prices of food bought at grocery stores fell 0.4 percent in January, the first drop since February 1980. The cost of housing rose 0.6 percent, a slower rate than recent months, as mortgage rates rose more slowly and house prices fell. However, energy prices soared, rising 3 percent over the month, with gasoline up 3.8 percent and household fuels up 2.7 percent.

Fed Money Targets Tightened

WASHINGTON — The Federal Reserve confirmed Wednesday that it will tighten its money and credit growth targets in 1981, a move that Fed Chairman Paul Volcker said was "frankly designed to be restrictive." Mr. Volcker, appearing before the Senate Banking Committee, generally endorsed the Reagan administration's program of budget and tax cuts. "The new administration is clearly aware of (economic) realities and has set forth a program of action. It has seized the initiative in moving from opportunity to practical policy," he said. "A Significant Cut" Mr. Volcker, as expected, said the Fed is tightening by a half-percentage point its growth targets for the nation's basic money supply categories — M1-A and M1-B — which include cash in circulation and all kinds of checking accounts, including NOW (negotiated order of withdrawal) accounts. "The new target ranges imply a significant reduction in the monetary growth rates," Mr. Volcker said of the board's action, which carried through on the targets he had indicated last July would be adopted. Last February, the board decided that M1-A should grow 3½-to-6 percent in 1980 and that M1-B should expand 4-to-6½ percent. M1-A actually grew 6.25 percent and M1-B at 6.34 percent last year. In July, Mr. Volcker indicated the central bank would reduce those target ranges by a half-percentage point in 1981. Mr. Volcker said the Fed will not change its targets for the broader money supplies M2 and M3, which include new forms of market rate savings instruments and the popular money market mutual funds sold by stock brokers.

Sharp Rebound on NYSE Despite Gloom Over Rates

NEW YORK — A late rebound by blue chips pushed prices on the New York stock market to a solid gain in active trading Wednesday even though it was sharply lower shortly after mid-session. Analysts said the resiliency of the blue chips, despite a discouraging interest rate forecast from Salomon Brothers partner Henry Kaufman, encouraged late buying by institutions. They also said a less than expected 0.7 percent rise in consumer prices in January encouraged investors. The Dow Jones industrial average, off 11 points at midday, closed up 8.30 to 954.40 and advances edged declines by a narrow margin as turnover quickened to 46 million shares from 43.96 million Tuesday. The market opened slightly higher on the consumer price news but weakness in the technology shares after a bearish profit forecast from Intel Corp. dragged the index down. The market weakened further when the Kaufman statement hit newswires. Mr. Kaufman said he expected the prime rate to decline to a low of 17 or 18 percent in the next couple of weeks, before rising again, perhaps to surpass the 21½ percent record rate seen last year. Most large banks now quote a 19 percent prime rate. He said that Reagan administration predictions of a 9.9 percent 1981 inflation rate, as measured by the GNP deflator, is too optimistic. He said inflation measured by this indicator would run at about 10 or 11 percent. Mr. Kaufman said interest rates would remain volatile due to the Federal Reserve's techniques of monetary control. He said he expected long-term corporate bond yields could rise this year to the record 15 or 16 percent range from the current 14 to 15 percent. "I would not rule out 13 or 14 percent bond yields this year," he said. But any decline to these levels would cause an avalanche of long-term financing by corporations, he said. The primary reason for continued high interest rates was continuing high government financing needs, Mr. Kaufman said. On the trading floor, semiconductor stocks were hard hit Wednesday as Intel gave evidence that the slowdown in the U.S. economy is striking the semiconductor industry with full force. Intel, one of the top five and most successful semiconductor

manufacturers, predicted approximately break-even first quarter profitability, citing primarily a continuing deterioration in the large-scale memory products market, a major earnings contributor. The announcement stunned most analysts because it was the first admission by a leading semiconductor firm that business has declined much more rapidly than expected and recovery may be slow. Reflecting this fear, stocks of other big semiconductor companies fell in concert with Intel. Analysts James Bevel of Montgomery Securities in San Francisco contends there is no quick solution to the continuing decline in the ratio of new orders to shipments. In a review of the construction industry, McGraw-Hill Information Systems said Wednesday that construction contracts will rise by 12 percent in 1981 to \$164.5 billion, which is about \$10 billion less than predicted six months ago. In an update of its "1981 Dodge-Sweet's Construction Outlook," McGraw-Hill predicted a 10 percent gain in non-residential construction to \$53.1 billion as President Ronald Reagan's residential program goes into effect. McGraw-Hill attributed the downward revision to the "force of last year's money market distortions and the stress that lies ahead due to monetary and fiscal policy conflicts."

On the foreign exchange market, the dollar remained slightly firmer in quiet mid-session trading, dealers said. The dollar weakened early this morning on news of a smaller than expected rise in U.S. Consumer prices in January. However, it recovered after Fed Chairman Paul Volcker's statements on tighter money growth policies. The dollar was quoted at around 2.1065-30 marks, against an opening 2.1015-25.

CURRENCY RATES

Interbank exchange rates for February 25, 1981, excluding bank service charges

Currency	Per U.S. \$	Per U.S. \$	Currency	Per U.S. \$	Per U.S. \$
Australian \$	1.497	0.670	Swiss Franc	1.497	0.670
Belgian Fr.	23.36	0.043	Thai Baht	16.5	0.061
British Pound	1.547	0.647	West German Mark	1.36	0.735
Canadian \$	0.71	1.408	Yen	163.5	0.0061
DM	1.36	0.735			
French Franc	6.55	0.153			
Italian Lira	2036	0.00049			
Japanese Yen	163.5	0.0061			
Mark	1.36	0.735			
Swiss Franc	1.497	0.670			
Yen	163.5	0.0061			

U.S. Studying Gold-Dollar Tie

NEW YORK — The Reagan administration continues to consider the idea of a gold standard, but has not formulated any specific policy, Lawrence Kudlow, assistant director of the Office of Management and Budget, told the Financial Analysts Federation Wednesday. In response to a question, Mr. Kudlow said that at this point the idea of having the dollar tied to gold is only in the discussion stage. "A gold-backed dollar is being considered by the administration," he said. "We are currently discussing this but have not formulated any policy yet." In London, gold finished at \$500 an ounce, off about \$3 on the day. The metal opened at \$504.50-\$506, was set at \$505.75 in the morning and dropped to an afternoon fix of \$500.50.

French Retail Prices Up

PARIS — French retail prices rose 1.2 percent in January after a 0.9-percent gain in December, giving a year-on-year rise of 12.8 percent compared with 13.6 percent in December, the National Statistics Institute reported Wednesday.

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10th February, 1981

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LIFO Proponents on Offensive

By Steve Lohr
New York Times Service

NEW YORK—Much of what is wrong with U.S. management is most vividly evident in the way many companies account for their inventories.

That, at least, is the contention of many respected observers of management practices, including Reginald H. Jones, chairman of General Electric, and Peter F. Drucker, the author-consultant.

Their indictment springs from what these critics say is the seemingly irrational foodness management display for the FIFO method of inventory accounting in the current inflationary period.

Under FIFO (first-in, first-out), reported earnings are higher, but so is taxable income, and therefore, tax payments. Using the alternate method, LIFO (last-in, first-out), reported earnings are lower, but taxes are, too.

The contention is that FIFO is "the most damning piece of evidence that can be marshaled by the critics of American management," says Mr. Jones of GE, a long-time LIFO user.

Not employing such inflation-adjustment techniques as LIFO is "slothful and irresponsible," Mr. Drucker writes in his current book, "Managing in Turbulent Times."

LIFO's underlying logic is that, in inflationary times, it better reflects the current cost of goods sold.

With LIFO, companies, by legally avoiding some taxes, have more funds for new plant and equipment, research and development and expansion projects.

Some managers say they are so desperately needed if U.S. business is to survive against increasingly aggressive foreign competitors. Such a corporate revitalization might then increase the stagnating productivity of the economy.

Nevertheless, only about one-third of all manufacturing inventories are accounted for on a LIFO basis, the Commerce Department estimates. Companies still overwhelmingly prefer FIFO, despite the reduced cash flow.

In the view of many, the reluctance to switch to LIFO reflects management's obsessive concern with short-term profits, even when the long-term health of corporations suffers as a consequence.

from the basic difference between LIFO and FIFO. Under FIFO, inventory costs flow through the concern as if on a conveyor belt—that is, costs are assigned to units sold in the same order the costs entered inventory.

Under LIFO, inventory costs are accumulated as if on a rock pile, with the newest costs being removed from the top and assigned to units sold. So for accounting purposes, the cost of goods sold for a year is often not known until the end of that year.

LIFO, then, is an accounting treatment of inventory that is different from the way the parts or supplies on inventory are actually handled. "A lot of managers," William Bruns Jr., a Harvard Business School professor, says, "consider LIFO an unnatural act."

Accounting specialists recognize the management adjustment a LIFO switch necessitates, but say the change should be made nevertheless. "A firm is foolish if it doesn't switch to LIFO and save taxes," Mr. Bruns said.

Aid to Poles Pledged at Paris Talks

PARIS—A group of Western nations and Japan said Wednesday they agreed to provide urgent short-term aid to help the Polish government with its external debts.

A communique issued after a three-day meeting said many delegations would recommend interim measures to their governments.

The communique gave no figures but said the 15-member group would meet again in early April.

Western officials said Poland may need up to \$10 billion in new loans to cover repayment of interest and outstanding debt now due. It is estimated that Poland's debts to Western countries and banks will rise to \$25-to-\$26 billion by the end of this year.

The communique noted that an arrangement was being worked out between Poland and the commercial banks on debts not covered by government guarantees.

Commercial bankers may meet in London later this week to examine ways of rescheduling some of Poland's commercial debts, estimated at three-quarters of its outstanding liabilities, officials said.

The communique said a Polish delegation took part in the meeting, during which experts examined Poland's external payments problems.

Earlier, West German Economics Minister Otto Lambsdorff had said in Bonn that he did not expect an overall solution to the problem of rescheduling Poland's foreign debt to be found before July 1.

In an interview with West German radio after talks with Polish Deputy Premier Henryk Kisiel, Mr. Lambsdorff said some sort of bridging arrangement will have to be found in the meantime.

NYSE Nationwide Trading Closing Prices Feb. 25

Tables include the nationwide prices up to the closing on Wall Street.

15 Month High	15 Month Low	Stock	Yld.	P/E	100s	High	Low	Close	Chg.
17 1/2	17 1/2	IBM Corp.	4.0	12.5	100	125 1/4	125 1/4	125 1/4	+1/4
17 1/2	17 1/2	AT&T	5.5	10.5	100	48 1/4	48 1/4	48 1/4	+1/4
17 1/2	17 1/2	General Electric	4.5	11.5	100	34 1/4	34 1/4	34 1/4	+1/4
17 1/2	17 1/2	Westinghouse	4.5	11.5	100	28 1/4	28 1/4	28 1/4	+1/4
17 1/2	17 1/2	Rockwell International	4.5	11.5	100	22 1/4	22 1/4	22 1/4	+1/4
17 1/2	17 1/2	Boeing	4.5	11.5	100	42 1/4	42 1/4	42 1/4	+1/4
17 1/2	17 1/2	Lockheed	4.5	11.5	100	38 1/4	38 1/4	38 1/4	+1/4
17 1/2	17 1/2	Northrop	4.5	11.5	100	32 1/4	32 1/4	32 1/4	+1/4
17 1/2	17 1/2	Raytheon	4.5	11.5	100	28 1/4	28 1/4	28 1/4	+1/4
17 1/2	17 1/2	Grumman	4.5	11.5	100	24 1/4	24 1/4	24 1/4	+1/4
17 1/2	17 1/2	McDonnell Douglas	4.5	11.5	100	20 1/4	20 1/4	20 1/4	+1/4
17 1/2	17 1/2	Boeing	4.5	11.5	100	16 1/4	16 1/4	16 1/4	+1/4
17 1/2	17 1/2	Lockheed	4.5	11.5	100	12 1/4	12 1/4	12 1/4	+1/4
17 1/2	17 1/2	Northrop	4.5	11.5	100	8 1/4	8 1/4	8 1/4	+1/4
17 1/2	17 1/2	Raytheon	4.5	11.5	100	4 1/4	4 1/4	4 1/4	+1/4
17 1/2	17 1/2	Grumman	4.5	11.5	100	0 1/4	0 1/4	0 1/4	+1/4
17 1/2	17 1/2	McDonnell Douglas	4.5	11.5	100	0 1/4	0 1/4	0 1/4	+1/4

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

Australia

Consolidated Gold Fields
4 Months 1980 1979
Revenue..... 90.17 81.31
Profits..... 8.61 12.97
Per Share..... 0.21 0.29

Britain

Corrington Vivello
Year 1980 1979
Revenue..... 297.03 312.79
Profits..... 9.62 4.29
Per Share..... — 1.18

Japan

Mitsubishi Electric Inds.
Year 1980 1979
Revenue..... 2,927 2,367
Profits..... 124,580 98,240
Per Share..... 95.84 74.49

United States

Revlon
4th Quar. 1980 1979
Revenue..... 438.8 505.0
Profits..... 54.8 45.2
Per Share..... 1.34 1.28
Share OH..... 1.21 1.24

Year 1980 1979
Revenue..... 2,200 1,740
Profits..... 192.4 155.3
Per Share..... 4.57 4.57
Share OH..... 4.75 4.57

Textron
4th Quar. 1980 1979
Revenue..... 872.1 802.9
Profits..... 46.6 43.1
Per Share..... 1.24 1.15

Year 1980 1979
Revenue..... 3,380 3,100
Profits..... 169.4 165.1
Per Share..... 4.52 4.39

White Consolidated
4th Quar. 1980 1979
Revenue..... 483.9 491.2
Profits..... 20.7 32.15
Per Share..... 1.48 2.48
Share OH..... 1.48 2.48

Year 1980 1979
Revenue..... 2,040 2,010
Profits..... 57.01 75.71
Per Share..... 3.94 5.95

Striking Effect

The cumulative effect of LIFO in an inflationary era can be striking. Since it switched to LIFO in 1955, GE has realized a LIFO tax saving of more than \$1 billion, says Thomas Thorsen, senior vice president of finance.

Among those that have switched to LIFO are Jewel Cos., Eli Lilly, Corcoran, American Hospital Supply and Williams Cos.

For Jewel, a Chicago-based food and drug retailer, more than 1,300 outlets, the change to LIFO will reduce its 1980 after-tax earnings by \$12 million. However, LIFO also means a tax saving of the same amount.

"The increased cash flow and the lower taxes are the reasons we're doing this," said Gene Kilham, Jewel's controller.

Minnesota Mining & Manufacturing Co., known as a well-managed concern, is still on FIFO.

"We keep looking at the possibility of switching to LIFO every year," said Ralph Robert 3M's treasurer. "But we feel that our management knows how to run the business on a FIFO basis, is comfortable with it, and changing could be disruptive."

Yet 3M is paying dearly to avoid unsettling its traditional practice. Gary Biddle, an assistant professor at the University of Chicago Business School, has calculated the additional taxes many companies have paid by staying on LIFO for the 1974-78 period.

For 3M, the extra FIFO taxes paid over that span totaled \$118 million, Mr. Biddle estimates. Mr. Ebbot, however, disputes that figure, saying it is "much too high."

As Mr. Ebbot sees it, one major drawback to LIFO is that "you don't really know your costs until the end of the year," a concern shared by many managers.

This perceived problem results

Turkey Expects Increased Aid

PARIS (AP)—Turkey expects to receive aid pledges of about \$1.5 billion this year from members of the Organization for Economic Cooperation and Development, Turgut Ozal, Turkey's deputy premier and chief economic planner, said Wednesday.

After conferring with OECD Secretary-General Emile van Lennep, Mr. Ozal said the United States and West Germany are likely to contribute 50 percent or more of this year's aid package, which compares with \$1.2 billion pledged last year.

He said he hopes the agreement will be completed at the next OECD pledging session set for mid-April. Mr. Ozal said he also expects a new rescheduling agreement on official debts amounting to some \$300 million.

In reply to questions, Mr. Ozal said that commercial banks have recently agreed in principle to modify the terms of their debt rescheduling agreement signed in 1979 that rolled over some \$3.5 billion over seven years with a three-year grace period. The new accord with the banks calls for a 10-year rollover, including a five-year grace period, Mr. Ozal said.

Budget

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Eurocurrency Interest Rates

February 25, 1981

1M	3M	6M	12M	18M	24M
1.5	1.5	1.5	1.5	1.5	1.5
1.5	1.5	1.5	1.5	1.5	1.5
1.5	1.5	1.5	1.5	1.5	1.5

Floating Rate Notes

Closing prices, February 25, 1981

Bank	Rate	Yield
Bank of America	12 1/2%	12 1/2%
Chase Manhattan	12 1/2%	12 1/2%
Citibank	12 1/2%	12 1/2%

European Stock Markets

February 25, 1981 (Closing prices in local currencies)

Amsterdam

Stock	Price	Chg.
AKZO	150.00	+1.50
AKZO	150.00	+1.50
AKZO	150.00	+1.50

Paris

Stock	Price	Chg.
Air Liquide	1,120.00	+10.00
Air Liquide	1,120.00	+10.00
Air Liquide	1,120.00	+10.00

London

Stock	Price	Chg.
Allied Brew	1,120.00	+10.00
Allied Brew	1,120.00	+10.00
Allied Brew	1,120.00	+10.00

Brussels

Stock	Price	Chg.
Artied	1,120.00	+10.00
Artied	1,120.00	+10.00
Artied	1,120.00	+10.00

Frankfurt

Stock	Price	Chg.
A.B.G.	1,120.00	+10.00
A.B.G.	1,120.00	+10.00
A.B.G.	1,120.00	+10.00

Zurich

Stock	Price	Chg.
Alpine	1,120.00	+10.00
Alpine	1,120.00	+10.00
Alpine	1,120.00	+10.00

Toronto Stocks

Closing Prices, February 24, 1981

Stock	Price	Chg.
151 Alton	25.00	+0.25
151 Alton	25.00	+0.25
151 Alton	25.00	+0.25

Montreal Stocks

Closing Prices, February 24, 1981

Stock	Price	Chg.
924 Bank	51.00	+0.50
924 Bank	51.00	+0.50
924 Bank	51.00	+0.50

AMSTERDAM DEPOSITORY COMPANY N.V.

Amsterdam, February 17th, 1981.

ADVERTISMENT INTERNATIONAL FUNDS

February 25, 1981

The net asset value quotations shown below are supplied by the Funds listed with the exception of those funds whose quotations are supplied by the International Fund for the Americas (IFA) and the International Fund for the Americas (IFA).

ALLIANCE INT'L FUND

Fund	Price	Chg.
ALLIANCE INT'L FUND	12.50	+0.10
ALLIANCE INT'L FUND	12.50	+0.10
ALLIANCE INT'L FUND	12.50	+0.10

BANK LEONARD BAER & Co Ltd.

Fund	Price	Chg.
BANK LEONARD BAER & Co Ltd.	12.50	+0.10
BANK LEONARD BAER & Co Ltd.	12.50	+0.10
BANK LEONARD BAER & Co Ltd.	12.50	+0.10

BRITANNIA TRUST ANGT. (C) Ltd.

Fund	Price	Chg.
BRITANNIA TRUST ANGT. (C) Ltd.	12.50	+0.10
BRITANNIA TRUST ANGT. (C) Ltd.	12.50	+0.10
BRITANNIA TRUST ANGT. (C) Ltd.	12.50	+0.10

CREDIT INVESTMENT

Fund	Price	Chg.
CREDIT INVESTMENT	12.50	+0.10
CREDIT INVESTMENT	12.50	+0.10
CREDIT INVESTMENT	12.50	+0.10

FIDELITY FUND

Fund	Price	Chg.
FIDELITY FUND	12.50	+0.10
FIDELITY FUND	12.50	+0.10
FIDELITY FUND	12.50	+0.10

G.T. MANAGEMENT LTD.

Fund	Price	Chg.
G.T. MANAGEMENT LTD.	12.50	+0.10
G.T. MANAGEMENT LTD.	12.50	+0.10
G.T. MANAGEMENT LTD.	12.50	+0.10

JARDINE FLEMING

Fund	Price	Chg.
JARDINE FLEMING	12.50	+0.10
JARDINE FLEMING	12.50	+0.10
JARDINE FLEMING	12.50	+0.10

LLOYD BANK INT'L

Fund	Price	Chg.
LLOYD BANK INT'L	12.50	+0.10
LLOYD BANK INT'L	12.50	+0.10
LLOYD BANK INT'L	12.50	+0.10

RBC INVESTMENT

Fund	Price	Chg.
RBC INVESTMENT	12.50	+0.10
RBC INVESTMENT	12.50	+0.10
RBC INVESTMENT	12.50	+0.10

ROTHSCHILD ASSET MGMT

Fund	Price	Chg.
ROTHSCHILD ASSET MGMT	12.50	+0.10
ROTHSCHILD ASSET MGMT	12.50	+0.10
ROTHSCHILD ASSET MGMT	12.50	+0.10

SWISS BANK CORP.

Fund	Price	Chg.
SWISS BANK CORP.	12.50	+0.10
SWISS BANK CORP.	12.50	+0.10
SWISS BANK CORP.	12.50	+0.10

UNION BANK OF SWITZERLAND

Fund	Price	Chg.
UNION BANK OF SWITZERLAND	12.50	+0.10
UNION BANK OF SWITZERLAND	12.50	+0.10
UNION BANK OF SWITZERLAND	12.50	+0.10

AMERICAN EXPRESS COMPANY (CDR's)

The undersigned announces that as from February 26th, 1981, at K&A-Associatie N.V., Spuisstraat 172, Amsterdam, div. op. n. 11 of the CDR's American Express Company, each repr. 5 shares, will be payable with Dfls. 5.06 net (div. per record-date 12.1981) gross 8.50 p. ab.) after deduction of 15% USA-tax = Dfls. 3.750 = Dfls. -89 per CDR = Dfls. -0.99 with Dfls. 4.17 net.

AMSTERDAM DEPOSITORY COMPANY N.V.

Amsterdam, February 17th, 1981.

European Gold Markets

February 25, 1981

Market	Price	Chg.
London	375.00	+2.00
London	375.00	+2.00
London	375.00	+2.00

Gold Options (price in \$/oz.)

Month	Price	Chg.
1981	375.00	+2.00
1982	375.00	+2.00
1983	375.00	+2.00

Weekly net asset value

Tokyo Pacific Holdings N.V.

on January 1, 1980: U.S. \$66.42
on February 23, 1981: U.S. \$92.71

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

Tokyo Exchange

February 25, 1981

Stock	Price	Chg.
Asahi Chem.	1,120.00	+10.00
Asahi Chem.	1,120.00	+10.00
Asahi Chem.	1,120.00	+10.00

Canadian Index

February 25, 1981

Index	Value	Chg.
Canadian Index	1,120.00	+10.00
Canadian Index	1,120.00	+10.00
Canadian Index	1,120.00	+10.00

Japan Tops in Indone

JAKARTA — Japan was largest foreign investor in Indonesia at end of 1980, \$3.9 billion invested in 202 projects, spokesman for the Ministry of Industry announced Wednesday. The government had proved a total 782 foreign investment projects.



AMEX Nationwide Trading Closing Prices Feb. 25

Table of AMEX Nationwide Trading Closing Prices for Feb. 25, 1981. Includes columns for stock symbols, prices, and volume. Includes sub-sections for 'Selected Over-the-Counter' and 'To our readers...'.

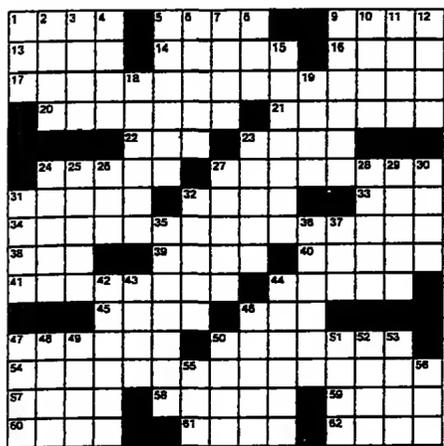
U.S. COMMODITY PRICES

Table of U.S. Commodity Prices for Feb. 25, 1981. Includes sections for Chicago Futures, New York Futures, Cash Prices, Commodity Indexes, Market Summary, Dow Jones Averages, International Monetary Market, Standard & Poors, NYSE Index, Odd-Lot Trading in N.Y., AMEX Index, and London Metals Market.

Advertisement for Bell Canada Appointment in Saudi Arabia. Includes a portrait of Russell E. Bays and text describing his role as assistant vice-president and contract administrator for Bell Canada in Saudi Arabia.

CROSSWORD

By Eugene T. Maleska



ACROSS

- 1 Completed a sky dive
5 One kind of note
9 Show approval
13 "One man's... is another man's Persian"
14 Like sports crowds
16 Split-lipped leporid
17 Start of a quotation by Anon.
20 Anderson or Carter in 1980
21 Least perilous
22 Lloyd's top ratings
23 George Eliot hero
24 Abbie's pal, in comics
27 Ordains, records or humiliates
31 Do to do
32 Exit hastily
33 Call of the riled
34 Middle of the quotation
38 Lincoln's "Cap'n..."
39 Time out of mind
40 Noted conductor from Genoa

DOWN

- 10 Colberteen, e.g.
11 Havens
12 Aphid, for one
15 stone of archeological lore
18 Sprouts
23 Signals guiding pilots
24 Adjective for a fee-faw-fum
25 Kind of quarter
26 Actress MacGraw
27 Film sequence
28 Contrabassoons, e.g.
29 Frost's "Stopping by..."
30 This is worse than a bad excuse
31 Wall St. term for a risk
32 What a musical-comedy star must know
35 Atomic particle
36 Native of Sana
37 Mrs., in Mexico
42 Dull; dense
43 Fat from sheep or cattle
44 Some immies
46 "It is... told by... Macbeth
47 Beyond, in Berlin
48 Chanteuse
49 Lamplack
50 Gaff
51 Exploit
52 Suffix with confer
53 School allied with King's College
55 Lawyer's retainer
56 Actor Stallone's nickname

Solution to Previous Puzzle



WEATHER

Table with columns for High, Low, and weather conditions for various cities like ALABAMA, ANKERSTADT, ANKARA, etc.

RADIO NEWSCASTS

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PEANUTS



B.C.



B.LONDIE



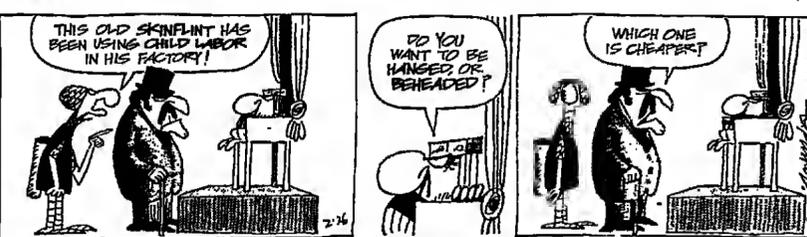
B.EETLE



A.NDY



W.IZARD



R.EX



D.OONESBURY



BOOKS

THE COMPANY OF WOMEN

By Mary Gordon. Random House. 291 pp. \$12.95.

Reviewed by Christopher Lehmann-Haupt

In her astonishingly poised and intelligent first novel, "Final Payments," Mary Gordon told the story of a Roman Catholic woman who sacrificed her youth to care for her ailing but beloved father...

This story may seem different from the one told in "Final Payments," but in essence it is almost the same. Both Felicitas and the heroine of the first novel, Isabel Moore, are spiritual prodigies of sorts...

Spanish Movie Chosen Best Film At Berlin Festival

BERLIN — Spanish director Carlos Saura's "Deprisa, Deprisa" (His Hurry), a film about youth gangsterism in Madrid, won the Golden Bear award as the best film of the 31st International Berlin Film Festival.

JUMBLE

Scrambled word game with words MIRGY, TULXE, DAMTLE, RAFAIN and a cartoon illustration.

DENNIS THE MENACE

Cartoon strip featuring Dennis the Menace and a character with glasses.

BRIDGE

Bridge game section including a hand diagram and a commentary by Alan Truscott.

